Austria	Sch 15	Indonesia	Rp 1500	Philippines	Pes 20
Bahrain	Din 0.650	Italy	L 1100	Portugal	Esc 65
Belgium	BFr 35	Japan	Y550	S. Arabia	Rls 6.00
Canada	C$1.50	Jordan	Fils 500	Singapore	S$ 4.10
Denmark	DKr 7.00	Kuwait	Fils 500	Spain	Pta 95
Egypt	E£1.00	Lebanon	£L 8.00	Sweden	SKr 5.50
Finland	Fmk 5.00	Luxembourg	LFr 35	Switzerland	SwFr 2
France	FFr 5.00	Malaysia	Rgt 4.25	Tunisia	Din 0.500
Germany	DM 2.00	Morocco	Dh 6.00	Turkey	L 130
Greece	Dr 50	Netherlands	Fl 2.75	U.A.E.	Dh 6.50
India	Rup. 15	Norway	NKr 6.00	U.S.A.	$1.50

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,033

Friday March 25 1983

Regional aid: how EEC countries compare, Page 8

NEWS SUMMARY

GENERAL

U.S. to offer new N-missile proposals

President Ronald Reagan of the U.S. is understood to have agreed to proposals to limit the number of medium-range nuclear missiles the U.S. and the Soviet Union could deploy in Europe.

The proposals are expected to be tabled at stalled Geneva talks in the next few days. They come after pressure from European governments and are a marked departure from the so-called zero option insisted on by the U.S. since the talks started in 1981. Page 6

In Madrid U.S. Defence Secretary Caspar Weinberger rejected a Soviet charge that President Reagan's proposal to shift defence policy to an anti-ballistic missile deterrent violated U.S.-Soviet treaties.

Nicaragua hunt

Nicaraguan officials said the army was still hunting an opposition invasion force which, the Government claimed, was directed by the U.S.

Byrne ends fight

Chicago's Mayor Jane Byrne dropped her campaign to run for the post again in elections next month. Page 6

Andropov 'ailments'

Soviet leader Yuri Andropov has heart and kidney problems but they are not "life-threatening," Moscow reports said.

Murder charges

Suspected Left-wing guerrillas Christian Klar and Brigitte Mohnhaupt were charged with murdering three prominent West Germans, including industrialists' leader Hans-Martin Schleyer in 1977.

Heart patients die

Retired dentist Barney Clark, 62, who on December 2 became the first person to receive a permanent artificial heart, died in Salt Lake City. In Houston, Kenneth Ingram, 28, was the first patient to die after being treated with a new drug to stop the body rejecting a transplanted heart.

Lebanon deadline

Lebanon set April 2 as a deadline for Israel to agree to proposals for its withdrawal. Page 4

Mitterrand 'boring'

The Right-wing French press described as "boring" President Mitterrand's appeal to the French to mobilise in the battle against inflation, unemployment and the trade deficit. Page 3

Paris rail peace

Workers at Paris's Gare du Nord returned to work after settlement of a 10-day strike over demands for more staff and better conditions.

Poland eases cuts

The Polish Government dropped a number of social spending cuts designed for inclusion in a three-year anti-inflation programme. Page 2

Turin bribes inquiry

A top Italian Socialist Party official in charge of an internal inquiry into a Turin bribes scandal has been told that he too is under investigation.

Briefly . . .

Earthquakes in western Greece injured five people.

Eastern Air Lines of the U.S. and mechanics' leaders settled a pay dispute.

Nigeria said about 2m illegal West African immigrants had left since January.

BUSINESS

Cable and Wireless in $211m HK deal

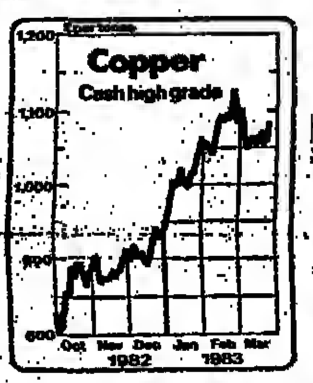
● CABLE AND WIRELESS, London-based international telecommunications group, is to pay HK$ 1.4bn ($211m) for 34.8 per cent in Hongkong Telephone Company. Details and Lex, Page 14

● STERLING recovered from record trading lows against the dollar and D-Mark, closing at $1.4635, a rise of 50 points on the day, and DM 3.5425 (DM 3.54). It edged up to FFr 10.605 (FFr 10.595) but eased to SwFr 3.03 (SwFr 3.0425) and Y347 (Y348.75). Its trade-weighted index was 78.1 (78.3). In New York, sterling moved down to close at $1.4587 ($1.4632). Page 38

● DOLLAR lost ground on an easing of Eurodollar interest rates, closing at DM 2.42 (DM 2.425), FFr 7.25 (FFr 7.2675), SwFr 2.07 (SwFr 2.084) and Y237 (Y238.9). Its trade-weighted index was 122.0 (122.5). In New York, the dollar closed at DM 2.4227, FFr 7.260, SwFr 2.072 and Y237.3. Page 38

● GOLD rose $5.75 to $415 an ounce in London. In both Frankfurt and Zurich it added $5 to $415.5. The Comex March settlement in New York was $410.0 ($417.9). Page 35

● COPPER: high-grade cash price finished £26.5 up at £1,081 a tonne after heavy buying by speculators. Page 35



● LONDON: FT Industrial Ordinary index shed 0.5 to 654.8m. Gilts rallied as pressures on sterling subsided. Page 31. FT share information service, Pages 36, 37

● WALL STREET: Dow Jones index closed 5.03 up at 1145.90, a record high. The previous closing high was 1141.74 on March 7. Page 31. Full share listings, Pages 32-34

● TOKYO: Nikkei Dow index rose 28.96 to a record 8,340.08. Stock Exchange index added 2.06 to 614.76, also a new high. Report, leading prices, other markets, Pages 31-34

● OCCIDENTAL PETROLEUM of the U.S. is selling its Cities Service subsidiary's refining, marketing and transport operations to convenience stores Southland Corporation in a $920m deal. Page 15

● AMERICAN MOTORS, 46 per cent owned by Renault of France, plans to sell AM General Corporation, the leading military vehicle producer, to raise cash for product development. Page 15

● SOVIET UNION and Yugoslavia signed a long-term economic co-operation agreement. Page 2

● SIEMENS, West German electrical concern, is to raise DM 220m ($90.7m) by a rights issue seen in financial markets as a disguised dividend. Page 14

● NATIONAL IRON and Steel Mills of Singapore is making a one-for-two bonus scrip issue to raise issued capital to S$63.5m ($30.5m). Page 16

● DUTCH PROPOSALS on cable broadcasting are likely to depress foreign company interest and boost the domestic "pluriform" system. Page 2

● INDIA and France signed an agreement on the supply of nuclear fuel for the U.S.-built power station at Tarapur. Page 4

UK sanguine over sterling's weakness

THE BRITISH Government refused to intervene in the foreign exchange markets yesterday to prevent a further drop in sterling, Jeremy Stone and Peter Riddell write from London. The pound's external value has fallen by more than 1½ per cent in the past week.

Sterling's effective exchange rate, which is measured against a trade weighted basket of currencies by the Bank of England's index, fell yesterday by 0.2 to 78.1 (1975 = 100). Although the slight easing of dollar interest rates permitted sterling to gain half a cent, closing in London at $1.4635, while the pound also pulled back a quarter of a pfennig to close at DM 3.5425, these gains were outweighed on a trade-weighted basis by falls against the yen and the Swiss franc.

The British Government's view is still that the latest fall in sterling is no more than a temporary bout of turbulence, reflecting uncertainty over the oil price and inflows into the dollar as a result of speculation about a trend to higher U.S. interest rates.

Ministers consequently believe that there is no case for intervention, and there is reluctance to raise interest rates in the UK, particularly from the Prime Minister. There is a desire to avoid any move which would risk a rise in the mortgage rate for house purchases ahead of the election.

Sir Geoffrey Howe, the Chancellor of the Exchequer, argued yesterday in the House of Commons that greater attention should be devoted to the strength of sterling in relation to European currencies rather than concentrating almost entirely on the rate against the dollar.

Since the exchange rate started to slide in November sterling has fallen 11.5 per cent aginst the dollar. But its performance against the D-Mark has been considerably worse, showing a drop of 17.3 per cent. The effective exchange rate, which stood at 91.3 on November 12, has fallen 14.5 per cent.

Mr Jock Bruce-Gardyne, the economic secretary to the Treasury, said it was not within the power of any government to determine how the short run fluctuations in the exchange rate would move. He said "the basic fiscal and monetary policies of the Government are such as to ensure that in the long run the exchange rate remains firm."

In the short run, however, officials in the Treasury and the Bank of England are becoming more and more sharply aware of the policy dilemma which will confront them if the pound continues to fall.

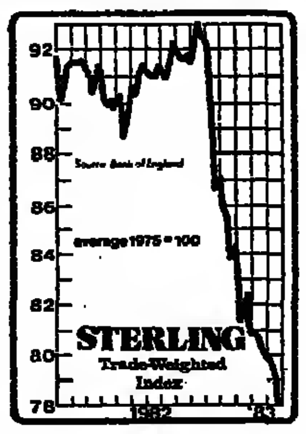
Their problem is that a falling exchange rate will bring a higher inflation rate in its wake, a point with which the Opposition made play in question time yesterday. Higher UK interest rates, however, would not only damage the Government electorally but tend to choke off any recovery in economic activity, and should therefore be avoided.

This forces the authorities back into considering direct intervention in the foreign exchange markets, a possibility which market rumours yesterday were scheduling for the moment sterling fell below $1.45.

Sterling's fall, Page 12; Lex, Page 14; money markets, Page 38

COSTLY DEFENCE

France's defence of the franc in the final weeks before Monday's devaluation within the European Monetary System exhausted the $6bn borrowed last year from Saudi Arabia and on the Euromarkets in an efforts to bolster foreign exchange reserves. Page 3



Tough U.S. import curbs in prospect for special steels

BY PETER BRUCE IN LONDON AND NANCY DUNNE IN WASHINGTON

The threat of a second trade dispute in a year between the U.S. and major foreign steel producers hardened yesterday when the U.S. International Trade Commission ruled that the domestic steel industry was being seriously injured by imports of special steels.

Japanese, West German, British Swedish, Austrian and Spanish special steel producers could all face tough curbs on their exports to the U.S. when the commission makes recommendations, based upon its findings, to the White House next month.

The Commission is likely to recommend that President Ronald Reagan impose import quotes, tariffs, or a combination of both, on special steel imports, which last year totalled more than 20,000 tonnes worth some $370m.

The ruling, which covers imports of stainless and alloy tool steel products, comes five months after the U.S. and EEC member states ended an eight-month dispute on general steel imports into the U.S. by agreeing to cut EEC sales to 8 per cent below their 1981 level, when Community sales took 6.3 per cent of the U.S. market.

Yesterday's ruling could set the stage for a much wider dispute than the one resolved last October. The general steel agreement was made because U.S. producers had argued that it was imports of subsidised steel that was damaging their industry. The special steels case put to the U.S. Government argues that all imports of special steels are damaging.

This means that any measures finally imposed by the U.S. could affect many more producers than those dealt with last year. In the EEC alone there are nearly 70 independent steel producers who receive no straight government subsidy. Many of the independents, like their bigger state sector competition, make the steel which is affected by the ruling.

Total penetration of the U.S. market by the steels covered by the ruling is estimated to be, 22 per cent, up from 10.9 per cent in 1979. Their market share is particularly high in stainless steel rods (about 40 per cent), stainless steel bars (up to 25 per cent) and alloy tool steel (48 per cent in the first nine months of 1982).

Alloy tool steel, used in the manufacture of tools and dies, is the most expensive of the metals covered by the ruling and is thought to be selling at a minimum of $1,500 a tonne. By contrast, ordinary hot rolled coil costs around $400 a tonne.

U.S. estimates show that of the 48 per cent taken by imported alloy tool steel, West German products took 12.2 per cent, Swedish 12.7 per cent, Japanese 6.3 per cent, British 1.9 per cent and Austrian 4.7 per cent. Total imports of this steel last year are thought to have been worth nearly $50m.

EEC steel producers reacted cautiously to yesterday's ruling, preferring to wait for an opportunity to argue their case before the White House rules on final measures. The inclusion of independent, unsubsidised producers in the issue could complicate negotiations.

The British Steel Corporation's special steel division is not likely to be seriously threatened by the ruling as the alloy content in many of its products is probably not covered by the ruling.

BSC Stainless, however, could be more seriously affected. About 10 per cent of the special steels produced by independent UK manufacturers is sold in the U.S.

Figures produced by the British Independent Steel Producers Association show that imported tool alloy steel took about 80 per cent of the UK market last year. Imports of all the steels covered by the ruling were more than 60 per cent of the UK market last year.

GERMAN PLAN

Managers and union leaders from West Germany's battered steel industry moved closer to agreement on a new shape for a sector burdened by heavy losses and overcapacity. Page 3

Usinor to seek more funds and plan reappraisal

BY DAVID HOUSEGO IN PARIS

USINOR, the largest of the French state-owned steel groups, which has already received FFr 2.95bn ($406m) in new capital resources this year, is to ask the Government for further funds to help plug losses and maintain investments.

The group also wants the Government's approval for a drastic revision of development plans for the aging Longwy and Neuves-Maisons integrated steel plants in Lorraine. It does not believe these plants, which make long products, can be made competitive by 1986 as envisaged under existing modernisation plans and fears that with the downward slide in the steel market they will add further to the group's losses.

Usinor is therefore to propose that planned investment in the plants should instead be used to build smaller electric arc furnaces. But this could involve a cutback of some 6,000 in the workforce in an area where unemployment is already heavy and where the steel workers have a tradition of political violence.

The problem will be one of the major challenges facing M Laurent Fabius, the new Minister of Industry, who has been given the task of stemming losses in the public sector.

Usinor made losses last year of about FFr 4bn, slightly more than the FFr 3.9bn it lost in 1981. Of the FFr 2.95bn it received from the state earlier this year, FFr 1.5bn was in fact part of a special budget allocation it received at the end of 1982 to help it meet day-to-day commitments. The group expects problems in covering a further large deficit this year.

Existing plans for the French steel industry were drawn up over a year ago on the basis of a planned production of 22m-24m tonnes by 1986.

Production last year fell by 13.4 per cent to 18.4m tonnes and is expected to be between 17m-18m tonnes this year. The plans have thus come to be seen as increasingly unrealistic but the problem of massive redundancies – especially in Lorraine, where the other French state-owned steel producer, Sacilor, also has ageing plants – had made the issue politically sensitive.

Usinor recently signed a planning contract with the former Minister of Industry, Mr Jean-Pierre Chevènement. This provides for investments of FFr 11bn over the period 1982-86, of which about FFr 2bn is for the development of long products, mainly in the Lorraine-based plants.

In practice, Usinor has so far concentrated its investment on its coastal mills at Dunkirk and Fos, while hoping for a reappraisal of plans for Lorraine. Also EEC approval has yet to be obtained for France's long product plan, with a decision expected in June.

The loss-making steel sector has absorbed FFr 6.5bn of the FFr 20bn that the Government has made available in new capital funds this year for the nationalised industries.

N. Sea deal may give Britoil foothold in U.S.

By Richard Johns in London

BRITOIL yesterday announced an agreement with Amerada Petroleum under which the subsidiary of the U.S. Amerada Hess oil group would take a substantial stake in three North Sea blocks predominantly owned by Britoil.

The arrangement could be part of a wider deal giving the publicly quoted British exploration and development company its first toehold in the U.S.

Talks between Britoil and Amerada Hess on wider collaboration in the U.S. are believed to have been going on since last summer

Neither company would comment, however, on the ramifications beyond the North Sea deal.

Britoil stated its intention of establishing a presence in the U.S. as soon as possible when 51 per cent of its shares were sold to the public last November. At present, it is mainly involved in the UK and its only active involvement is in Dubai, Indonesia, Ireland and France.

Under the North Sea "farm in" agreement, Amerada Petroleum is to take a 36.84 per cent equity stake in the acreage, which is near the Auk and Argyll fields and is taking over operatorship for it from Britoil. Burmah Oil Exploration took a 12.16 per cent stake in the licences in 1978, and after the Amerada deal, Britoil's share will have been reduced to 51 per cent.

Amerada Petroleum is expected to become sole operator by the middle of April. Neither company would discuss the commercial or work-sharing aspects to the deal and this could point to it being part of a more far-reaching agreement, giving Britoil its desired stake in the U.S.

Amerada-Hess, by international standards, is a medium-sized, integrated oil company with a wide spread of interests in the U.S. and abroad. It has been heavily involved in the development of the UK sector of the North Sea from its earliest stages and has an interest in the Beryl, Montrose and Fulmar producing fields, as well as North-West Hutton and Hutton, which are scheduled to start up during the next year or so.

It was the leader of the group which successfully bid £10.1m ($14.7m) for block 21/15 B in the reccent eighth-round auction of licences.

Its agreement with Britoil gives it an interest in the only three blocks in Quadrant 31, which is adjacent to the median line dividing the UK

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Philips seeks EEC tariff on audio discs

BY GUY DE JONQUIERES IN LONDON

PHILIPS, the Dutch electronics group, said yesterday that it was seeking special EEC tariff protection for its newly launched compact audio disc systems because it needed a "breathing space" in which to build up European sales of the machines.

The company, Europe's largest consumer electronics manufacturer, said in London yesterday that added protection was needed for new products for which there was no "homogeneous" European market and which could suffer from cut-price competition from Far Eastern exporters.

Philips also said that it was continuing discussions with Mr Max Grundig, head of the large West German consumer electronics manufacturer, about the company's future following the failure of the bid by France's Thompson group for 75.5 per cent of Grundig

Philips is understood to be considering the possibility of increasing its 24.5 per cent stake in Grundig. But it appears to be in no hurry to move and seems to be waiting for Mr Grundig to take the initiative.

"It is up to Mr Grundig to choose his own destiny," Mr Gerrit Jeelof, a director of Philips, said yesterday. He added that the German Cartel Office had resisted plans by Philips to acquire a majority of Grundig four years ago, though he did not know what position the Cartel Office would take today.

Philips, which led the successful recent campaign to curb EEC imports of videocassette recorders (VCRs) from Japan, said that it was strongly supporting efforts by the European Commission to gain international agreement on a 19 per cent EEC tariff on imports of compact disc systems.

That would be double the tariff normally charged on audio equipment. Philips launched the compact audio disc last month, and, according to sources in Brussels, it has hinted that its production plans might depend on the level of the tariff.

According to Mr Jeelof, a higher tariff is needed because some unidentified Far Eastern manufacturers are threatening to flood the Eu-

Continued on Page 14

Joint venture plans, Page 15

Japan to ease rules on imports

By Charles Smith in Tokyo

THE JAPANESE Government, in response to Western pressure to ease its import restrictions, is expected tomorrow to approve measures to simplify testing and certification procedures for a range of foreign imports.

The measures, in response to foreign pressure on Tokyo to ease import restrictions, are expected to focus on the abolition of legal discrimination between Japanese and foreign products across the board. To achieve this, the Government proposes to amend between 17 and 20 laws relating to such products as pharmaceuticals, agricultural chemicals and consumer and electronics products.

The measures will be discussed by Japan's inner cabinet of economic ministers before being submitted to the Diet (parliament). It is hoped that they will become law before the end of the current Diet session on May 26.

Plans to review the testing and certification procedures were an-

Continued on Page 14

CONTENTS

Poland scraps social service cuts to stave off unrest

BY CHRISTOPHER BOBINSKI IN WARSAW

THE POLISH Government has abandoned a number of social service spending cuts originally proposed by planners for inclusion in a three-year anti-inflation programme passed this week to parliament for debate.

"We have our Thatcherites in high places too," said an economist in Warsaw, commenting on the discussion inside the Government and the party leadership in the past six weeks on the programme. "But so far their proposals have been set aside."

A comparison of the draft programme dated early February and the details published in the Press yesterday show that the authorities are taking care not to heighten working-class tension.

Gone, for example, is all mention of a freeze on central wage regulations, as well as rise in social benefits from May 1 this year.

But the anti-inflation programme still envisages a review of collective wage agreements designed to cut back privileges won in the past by various industries. This move is sure to cause discontent.

The wage pact review will be the first test of the new trade unions which contain less than 10 per cent of the workforce, now being organised to replace the Solidarity union.

The programme also contains a two-year freeze on wages in sectors directly financed from the budget, such as the health service, education, defence and security.

The cost of down-payments for housing will also rise. But the only social service charge to survive the debate inside the Government is the introduction of part-payments linked to patients' incomes for meals in sanatorias.

THE BANKING task force negotiating the further rescheduling of Poland's foreign private debt is seeking to reach agreement on a re-scheduling pact which would cover the years 1983-1985, instead of the one-year arrangements negotiated hitherto, Stewart Fleming reports from Frankfurt.

This was confirmed by Dr Christoph von der Decken, the Dresdner Bank board member responsible for the Poland debt rescheduling.

Dr von der Decken said the Polish officials, as well as Western bankers, were interested in a longer-term re-scheduling, a policy which, in the case of the U.S. banking industry, is seen to represent a change of heart.

Hitherto, it has been thought that the U.S. banking industry wanted to stick to one-year agreements, a position which keeps the Polish authorities under the maximum pressure.

Metin Munir in Istanbul reports an increase in political activity as the military considers a date for elections

Turkey's political players wait for the starter's whistle

DESPITE the fact that Turkey holds the post-war Western European record for coups, political imprisonment, hangings and assassinations, politics remains the country's only profession from which no one wishes to retire.

At the age of 101, Mr Celal Bayar, the former Right-wing president who barely escaped the gallows after the 1960 coup and spent several years in jail, is the world's oldest active politician and continues to wield considerable influence.

Mr Suleyman Demirel, his spiritual heir, holds a different kind of record: he was overthrown by the army in 1971 and again in 1980 when the current military regime was established. Undaunted, he is fighting a silent battle to regain political power.

Mr Demirel is not the exception but the norm. All politicians in the parliament which the generals abolished on October 12 1980 want to return and all the parties which the generals abolished want to come back to life. There is not a single former politician who has declared that he wants to retire and write his memoirs.

Even people who have gained prominence since the coup are beginning to come out and say that they want to continue political careers when democracy is restored.

Most prominent among these "greens," as one observer labelled them, underlining their inexperience and newness, is Mr Turgut Ozal, the former

TURGUT OZAL: Slimmer, fitter and keen for office

Deputy Prime Minister and architect of the country's successful economic recovery programme. Mr Ozal resigned last July when he lost the confidence of the army.

He has declared that "if the conditions are right" (although he refuses to say what the conditions are) he would form his own party and make a bid for power so as to complete his free market-oriented economic reform programme.

Mr Ozal returned to Turkey last month after spending about three months in the U.S. where he underwent a slimming course at a Houston hospital. He lost 67 lbs in less than two months and, although he still weighs 291 lbs, looks remarkably slim to people who knew him when he was in Government.

The soft-spoken, bespectacled, dapper economist received a hero's welcome on his return in the Press and his diet (meat or fish daily, plus vitamin pills, salt and potassium and washed down by water or sugarless decaffeinated coffee or tea) became more famous in Turkey than Jan Fonda's Workout Book.

Although the politicians are gathering in the political arena it is still of course not known when the race will start or what sort of race it will be. When the generals dissolved the political parties and seized their property, about 100 former political leaders, like ex-Premiers Demirel and Bulent Ecevit, his social democratic rival, were banned from politics for 10 years.

Less well-known former politicians can re-enter parliament but are prevented from playing a prominent role in new political parties for five years.

In a national referendum last November an overwhelming majority voted to install General Kenan Evren, the Chief of Staff, as President for seven years.

New elections are to be held either in the autumn of 1983 or, at the latest, in the spring of 1984, depending on the speed with which the appointed consultative assembly drafts new laws covering political parties and elections and assuming no major adverse international developments occur.

Veteran politician Celal Bayar (left) aged 101, with his spiritual heir, Suleyman Demirel.

Most people expect or at least hope that elections will be held this year. The consultative assembly has completed work on the political parties law and has sent the draft legislation to Gen Evren's National Security Council. The Council will put the finishing touches to the draft and issue it as law. There is also speculation that the Council will extend the list of people who are to be banned from politics. The final major legislation on the agenda of the Consultative Assembly is now the election law.

Although politics are still banned, political activity has gained in intensity and political gossip is getting to be as soupy as the smog embracing Ankara, said to be the thickest in the world.

Plans are afoot to revive the two big parties, Mr Demirel's pro-private enterprise Justice Party (JP) and Mr Ecevit's social democrat Republican Peoples Party (RPP), under new names. In both camps efforts are being made to find formulae which will bring about this rebirth without causing splinter groups which could lead to weakness at the polls.

So far, the efforts seem unlikely to be successful. Many people want to lead the new parties and even more want to determine who the new leaders are.

Mr Bayer is said to favour Admiral Bulent Ulusu, the Prime Minister, as the new leader of the Right. So, it is said, do the ruling generals. Mr Demirel, on the other hand, is rumoured to be against Admiral Ulusu, wanting the job himself. Mr Ozal is reported to be opposed to all formulae except one which will give him the top job. Admiral Ulusu reportedly says that he will form a new party if he can ensure the support of "moderate elements" in both the RPP and the JP.

In the social democratic camp, things are ever more confused. Mr Ecevit is refusing to name a successor or even to be involved with preparations to set up a new party.

No-one is bothering to speculate about the once powerful extreme Left or extreme Right or the pro-Islamic movement, the new constitution does not permit such currents.

It is not easy to predict what the future has in store for Turkish politics because of the important unknown element: the army, which continues to hold all legislative and executive power.

What the army says goes, and its attitude towards the crucial legislation on the conduct of elections and the behaviour of political parties has not yet been revealed. Politics may remain the nation's favourite pastime, but nothing will happen before the army sets the rules and tells everyone what they are.

Italian metalworkers hold day-long wage strike

BY JOHN PHILLIPS IN ROME

MORE THAN 1m Italian metalworkers yesterday held a day-long strike in pursuit of a new labour contract that was delayed by the long wrangling before the historic agreement on wage indexation signed in January.

Demonstrations were called in most major Italian cities and negotiations between the FLM, the metalworkers' union which generally sets the pace in the Italian wage round, and the employers' federation Intersind were expected to resume today.

The search for new two-year pay contracts which expired in December 1981 and which the national employers' federation Confindustrial declined to renew until the problem of the *scala mobile* or "wage escalator" was resolved, is seen at the first major test of just how far the January accord on indexation will guarantee industrial peace.

Other indications that Italy could be entering a period of industrial disruption came yesterday as airport workers and Rome public transport employees announced strikes for today.

Dutch take hard line on cable TV

BY WALTER ELLIS IN AMSTERDAM

FOREIGN radio and television companies wishing to transmit in the Netherlands via cable will have to satisfy a wide range of conditions which, in effect, will prevent them from aiming programmes directly at the Dutch market.

The new rules, if confirmed, are likely to depress foreign interest and boost the existing Dutch "pluriform" broadcasting system.

Mr Eelco Brinkman, the Dutch Culture Minister outlined the regulations in a letter this week to Mr Ruud Lubbers, the Dutch Premier. He said that relays of foreign satellite programmes through the cable network would have to be carried out by *bona fide* broadcasting organisations in the Netherlands.

Programmes shown should not have been compiled specially for the Dutch market and should be shown in the same form simultaneously in their country of origin. They must be capable of reception by all cable viewers and not only by those paying a special fee.

Most important, any advertising could not be targeted at the Netherlands and should not be spoken or sub-titled in Dutch. Prices of goods advertised should not be given in Dutch guilders, nor should there be any mention of selling points in the Netherlands.

The Minister's proposals rule out broadcasting to the general public of a French composite channel shortly to be relayed via satellite to French troops stationed in West Germany.

The French forces channel is to be based on a selection of evening viewing on the three French stations and was offered free to the Netherlands. Earlier, Mr Brinkman had said he had no objection to the French relay.

On June 3 this year, a European Communications Satellite (ECS) is to be launched, and NOS, the Dutch state broadcasting corporation, is to make use of it to beam "pay TV" programmes to the Netherlands.

Mr Brinkman claims to have little faith in the project and says that Dutch viewers already suffer from a surfeit of television.

Shell to have right to operate Troll gasfield

By Our Oslo Correspondent

NORSKE SHELL, Norwegian subsidiary of the Dutch-British oil major, should have operating responsibility for the first stage development of Norway's giant Troll gasfield, the energy committee of the Storting (parliament) recommended yesterday.

The offshore field, originally discovered by Shell, is one of the world's largest and is expected to become a major source of gas supplies for continental Europe from the mid-1990s.

The committee proposes that responsibility for developing the field should be transferred to the Norwegian state oil company, Statoil, around 1990.

Tikhonov signs long-term agreement with Belgrade

BY ALEKSANDAR LEBL IN BELGRADE

THE SOVIET Prime Minister, Mr Nikolai Tikhonov, signed a document on principles and guidelines for long-term economic co-operation with Yugoslavia in Belgrade yesterday. A three-year agreement on cultural co-operation was also signed.

Two important contracts were concluded during Mr Tikhonov's visit. One concerns Soviet oil supplies to Yugoslavia in 1983. A total of 5.35m tonnes of crude and oil derivatives valued at over $1bn (£668m) will be delivered to Yugoslav oil companies, with an additional 1m tonnes to be contracted later in the year. This means that total deliveries in 1983 will be about 20 per cent higher than in 1982.

The other contract concerns the sale of 20 ships and four "push barges" for Soviet river navigation, valued at $180m. This is in addition to earlier orders worth $150m. The ships will be built in five Yugoslav inland shipyards by 1986.

The Soviet Prime Minister stressed his country's interest in broadening long-term economic co-operation with Yugoslavia and expressed the readiness of the Soviet Union to consider all offers directed to that purpose.

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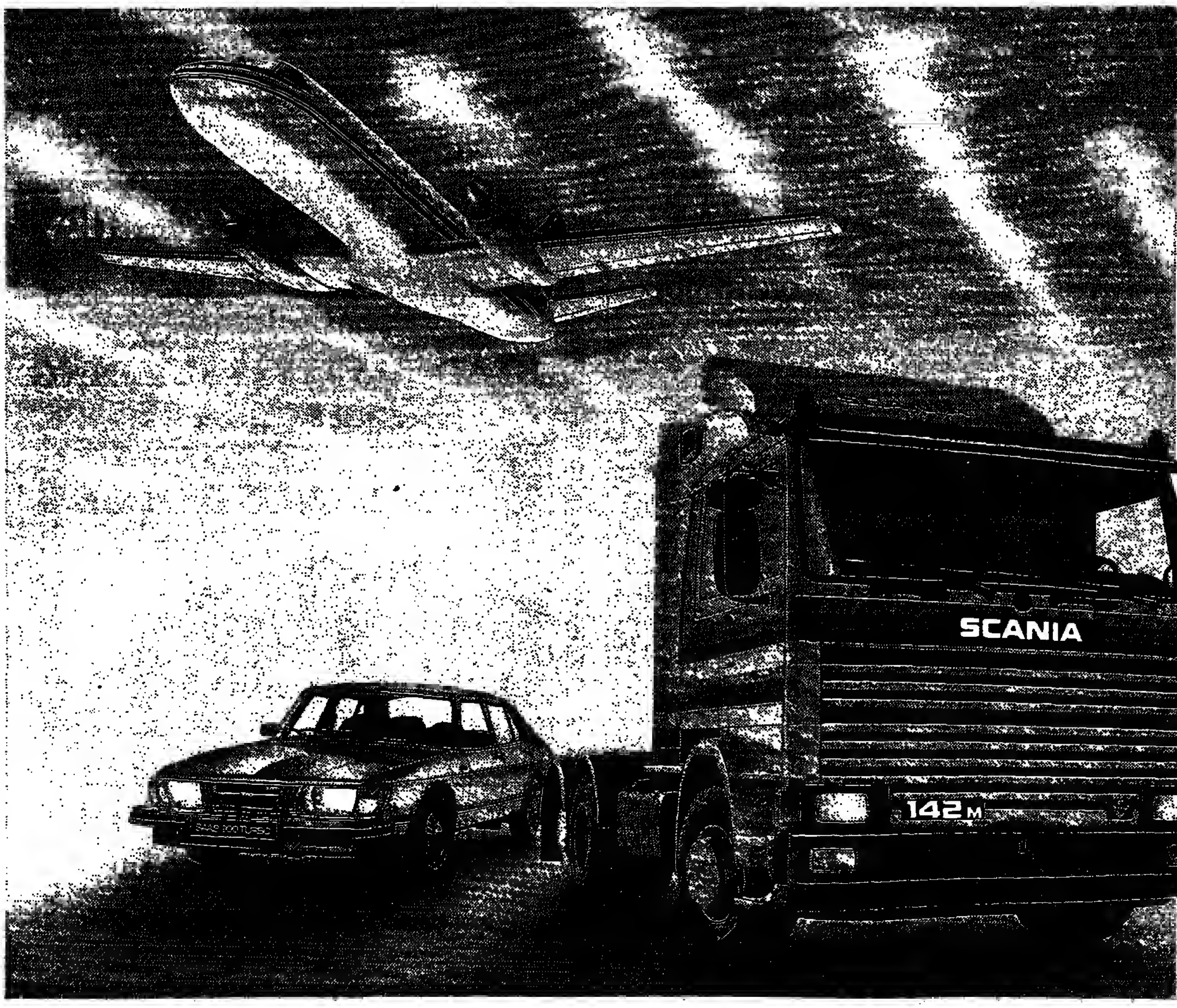


Defence of franc severely depletes French reserves

BY DAVID HOUSEGO IN PARIS

THE French Government's $6bn (£4bn) of borrowings last year from the Euromarkets and from Saudi Arabia to strengthen the foreign exchange reserves were exhausted in defence of the franc in the final weeks before last Monday's devaluation.

The weekly statement from the Bank of France released yesterday shows another massive outflow of FFr 15bn (£1.45bn) of foreign exchange in the week of March 10-17.

This comes on top of the loss of FFr 23bn the week before and brings the total loss of foreign exchange since the beginning of February when pressure on the franc began to build up to abont FFr 50bn.

This is roughly comparable to the outflow of foreign exchange prior to the June devaluation.

In the wake of that, soma FFr 15bn flowed back into France as compared with the FFr 25bn that returned after the Government's first devaluation of October, 1981.

It is too early to say what the rhythm of inflowing capital will be after the third devaluation.

The haemorrhaging of the foreign exchange reserves underlies how dependent France had become on EMS mechanisms to support the franc prior to the devaluation—and thus in practice bow difficult it would have been for France to have pulled out of the EMS without letting the currency plummet.

As part of the realignment, France bas negotiated a borrowing from the EEC facility reserved for member states with balance of payments problems because of high import bills.

An IMF mission is currently in France headed by Mr Alan Whittome, head of tha Fund's European department, and who was responsible for negotiating loans with Britain and Italy in the late-1970s.

Though the fund's mission is described as being to carry out the routine annual French survey, observers here believe that it would be difficult to avoid the issue of a possibla IMF borrowing.

Mitterrand appeal meets with lukewarm response

BY OUR PARIS CORRESPONDENT

PRESIDENT MITTERRAND's appeal for mobilisation of the French peopla in the battle against inflation, unemployment and the external deficit did not get much of a responsive echo from the French press yesterday.

"God, what a bore," said the right-wing daily Le Quotidien in the first sentence of its front-page editorial on the President's televised address on Wednesday night.

The equally Right Le Figaro, headlined its editorial with the one word "Nothing."

If these reactions were predictable from bitter opponents of the Socialist Government, they nonetheless point to the difficulties it will have in such a politically polarised country in rallying a consensus around measures involving a drop in living standards.

The stabilisation measures are due to be announced today after a special Cabinet meeting. The goal of cutting the external trade deficit by some FFr 40bn this year and a further FFr 40bn in 1984 means reducing overall demand by an amount equivalent to about 3 per cent of GNP over both years. Among the measures likely to be implemented are increases in public sector tariffs, "forced" savings on higher incomes, cancellation of some FFr 20bn of government expenditure and higher social security contributions.

After announcing the measures, the Government is expected to seek intensive negotiations with unions and employers before seeking a vote of confidence on the package from the National Assembly on April 6.

Row breaks out over nuclear spending

By Paul Betts in Paris

A FRESH controversy has broken out over French defence policy involving the nuclear component of the Government's defence programme.

The Defence Ministry refuted yesterday a report that appeared in Le Monde, the influential French daily newspaper, claiming that engineers of the state Atomic Energy Commissariat were increasingly worried the Government was trying to find ways to contain expenditures in the so-far "untouchable" nuclear budget, the most sensitive area of defence.

These concerns follow a delay in the current programme of underground uncleat explosions in the South Pacific.

The Le Monde report suggested the authorities were perhaps considering scaling down the underground test programme to concentrate more resources on missiles, nuclear submarines and aircraft rather than on researcb and production of nuclear charges.

M Charles Hernu, the Defence Minister who has reconfirmed this week in the new French Government, issued a statement denying any changes in the underground nuclear test programme launched in October, 1981.

EEC reassures Third World on aid

By Larry Klinger in Brussels

M Edgard Pisani, European Commissioner for overseas development, yesterday renewed his efforts to allay Third World fears that European Community aid could become conditional on the EEC's "meddling" in the recipient'a internal affairs.

Presenting the Commission's broad policy outlines for future EEC development and food aid, M Pisani said that should developing countries reject EEC efforts to obtain jointly agreed development strategies, it was "obvious that they were not going to be put on some sort of blacklist." Traditional aid to these countries would continue.

EEC-Asean trade talks, Page 5

WEST GERMAN MERGER PROPOSALS

Steel giants agree to fresh talks

BY JAMES BUCHAN IN BONN

MANAGERS and union leaders from West Germany'a battered steel industry yesterday moved a couple of steps nearer agreement on a new shape for a sector currently burdened by heavy losses and overcapacity.

At a conference called by Count Otto Lambsdorff, the Bonn Economics Minister, chief executives of the five main companies confirmed their commitment to explore co-operation which, nonetheless, falls far short of a radical plan for state-aided mergers put forward by an independent commission of experts, or "moderetors," in January.

The conference was the letest attempt by Bonn to prod the companies into delivering plans for capacity cuts and investment in time for March 31, the deadline set by the European Commission which must approve state aid for restructuring European steel.

The economics ministry fears that other West European countries, which subsidise their industries much more heavily, might use a German failure to meet the deadline as grounds for extending their own subsidy programmes which the EEC Commission wants pbased out.

However, the moderators' plan, which envisaged state eid of DM 2bn-3bn (£570m-£860m) to cover the restructuring costs, has been hacked down to a torso in tense rivalry between companies which face losses of that amount this year alone.

Thyssen and Krupp Stahl confirmed yesterday that their merger talks were far advanced. The balancing group proposed by the moderators, a merger of Hoesch, the state-owned Peine-Salzgitter works and the traditional outsider of the Industry, Kloeckner-Werke, bas been whittled down to a mere promise by Hoesch and Salgitter to examine co-operation.

Kloeckner, which passed through serious liquidity difficulties in the winter, and has been censured by the Commission for exceeding production quotas, faces having to go it alone.

IG Metall, the chief trade union, was still yesterday deeply suspicious of what one observer called the "decent silence" over bow many jobs will go. The union said it would reserve judgment until more information was available.

The regional governments which took part said tbey were ready to "accompany" restructuring plans but seem bound to resist Count Lambsdorff's demand they foot half the bill.

Herr Hero Brabms, of Hoesch's board, said yesterday that the talks with Salzgitter would examine "individual areas" where production swaps or concentration was possible but this would be over the mid-term.

Bonn is pressing Hoesch end emptoyees at Salzgitter to bring in Arbed Saarstahl, the Saarland concero, whirb was only rescued from insolvency lasi eutumn through Bonn aid. However, Herr Brahms said Hoesrb was not a "rharitable foundation" and the price would have to be right.

In an atmosphere of mounting irritation on all sides, Hoesch has already rejected co-operation with Kloeckner. However, Count Lambsdorff made clear that under the pressure of time bis ministry had fallen back from its original hope of mergers all round.

West Germany recorded a healthy DM 800m (£226m) surplus in the current account of its balance of payments last month. This will reinforce expectations of a further strengthening of its current account this year.

After a small deficit in January, the overall surplus for the first two months of the year was DM 600m, compared with a shortfall of DM 2.9bn in the same period a year ago.

Ono of the reasons for the improvement, however, is a continuing decline in demand for imports under the impact of recession. Exports have also continued to taper off compared with a year ago, although not to the same extent.

West Germany made a turnaround to a current account surplus last year—recently revised npwards to DM 8.1bn—after being in the red for the previous three years. Forecasts of a further improvement have been a factor underlying the strength of the D-Mark lately.

Hungary produces first division scandal

BY LESLIE COLITT IN BUDAPEST

THE GREAT Hungarian football scandal is proving to be eevn better entertainment in this soccer-mad country than tha Hungarian film which inspired two betting syndicates to rig soccer matches and swindle the state football pool, Toto, out of millions of forints.

Last week, 196 players and 13 referees were suspended, allegedly for taking bribes and fixing games. This followed the arrest of 26 people charged with swindling some 30m forints (£489,000) out of the Toto pool by rigging second and third division games last summer. Their undoing was to submit consecutively numbered Toto coupons with all the correct scores plus the bonus payment score.

Hungarian officials bemoan the moral decay which has been brought to light by the scandal. The man in the street, bowever, appears well hardened. One amateur Budapest sociologist said ordinary Hungarians are simply jealous of the legions of well-heeled citizens who have illegally become forint multimillionaires.

This widespread cynicism was nurtured by the self-styled king of the Toto swindlers when he was interviewed on Hungarian television. He accused an undercover policeman who had infiltrated the betting syndicata of baving "made a pile" on the fixed games.

Hungarians strongly suspect that match rigging and bribes are not confined to second and third division football. In fact, the weekly magazine of the Young Communist League quoted a former player who claimed his first division Budapest team, Ferencvaros, won the championship two seasons ago with the aid of fixed scores. He cited Ferencvaros's 2-0 win against Ujpesti Dozsa, the team sponsored by the police and public administration.

Despite the disclosures, Hungarian fans are still convinced a "fur coat," the local term for a cover-up, has been spread over the meatiest portions of the affair. First division teams are rumoured to have fixed scores in the past to prevent certain teams from dropping to the second division.

Mr Gyoergy Szepesi, president of the Hungarian Football Association, admitted his organisation bad besitated to intervene although fans had long talked of the existence of suspect practices. He said the association would have to act firmly in the future if matcbes reveal "markedly dispirited play" which cannot be explained.

One Budapest weekly offered a further reason why the top teams played with such lacklustre—the fact that talented players in the lower divisions earn more than they would in the first division.

Their sponsors, factories and co-operative farms, give the players "fictional jobs" at high salaries which they never perform. They are obliged to appear for training only three or four times a week.

The coach of Ferenrvaros, Mr Dezsoe Novak, noted that when his players earn 5,000 forints a month (only slightly above the average wage) it was impossible to induce young players to leave tbe rountryside where they earn up to 8,000 forints.

Another team official, bowever, described a common practice by which first division players boost tbeir income while on foreign tours. A player, he noted, buys a pair of football boots in the West for the equivalent of 300 forints a pair. Bark in Hungary be sells them to the serondhand shop for 800 forints. The football team then buys back the boots for 1,200 forints and presents them to the player.

Yet another first division perk, be explained, is for the team's sponsor company to rent a flat for the player at 8,000 forints a month and then write it off as "workers' hostel accommodation."

Gromyko is named first deputy Premier

MOSCOW—Mr Andrei Gromyko, the Soviet Foreign Minister, was today named First Deputy Prime Minister by the Presidium of the Supreme Soviet, Tass news agency reported.

Mr Gromyko, 73, becomes the third First Deputy to Prime Minister Nikolai Tikhonov. The others are: Mr Geidar Aliyev, 59; and Mr Ivan Arkhipov, 75; though the latter is not a member of the ruling Communist Party Politburo.

Mr Aliyev's appointment as First Deputy Prime Minister lest November came only two deys after he was named a full member of the Politburo end caused speculation that be was being groomed to succeed Mr Tikhonov.

Shortly after tbe announcement of his appointment, Tass said Mr Gromyko had received a personal envoy of the Algerian President. The Tass dispatch on the meeting referred to Mr Gromyko os Foreign Minister, Indacting bc continued to hold that post.

The announcement about Mr Gromyko came on the same day that Soviet sources reported that Mr Yuri Andropov, the Sovirt leader, wos suffering from heart and kidney problems and has been unable to attend to his duies for more than a week. The reports rould not be officially confirmed.

Portugal devalues

THE REALIGNMENT of currencies within the European Monetary System on Monday provided the excuse for this week's devaluatiou of the escudo by an average of 2 per cent, accompanied by an upward adjustment of 1 per cent in the monthly "crawling peg" devaluations.

The adjustment of the Portuguese currency—weakened by fierce domestic inflationary pressure and loss of export competitiveness — was long overdue.

The devaluation was accompanied by an equally necessary increase in commercial bank interest rates. On deposits of more than one year, the rate was raised by five percentage points to 28 per cent, the first interest rate higher than the inflation rate in more than two years.

Lebanon sets deadline for pact with Israel

BY NORA BOUSTANY IN BEIRUT

LEBANON has set April 2 as a deadlino for an agreement with Israel on U.S. proposals hammered out during a recent visit to Washington by Mr Elie Salem, the Lebanese Foreign Minister, and Mr Saeb Salam, the former Prime Minister.

A Government official was quoted by the state-run media yesterday as warning that, by April 2 at tho latest, "Either agreement is reached on the basis of provisions under review, or Lebanon will bove to think of other alternatives."

The Lebanese ultimatum served notice that its patience was wearing thin over Israeli foot-dragging on an accord to pull troops out of Lebanon. Major sticking points remain, such as Israel's insistence on observation posts and joint mobile patrols with Lebanese forces inside south Lebanon. Another Israeli demand, on which the Lebanese Government refuses to budge, concerns the re-integration into the Lebanese army of the breakaway army commander Major Saad Haddad.

Major Haddad rebelled during the 1975-76 civil war and formed his own border militia. His estimated force of some 1,200 men grouping Christian and Moslem Shi'ite elements is supplied by and undor direct orders from Israel.

Mr Philip Habib, the special U.S. presidential envoy, has been shuttling between Beirut and Jerusalem to muster support for the latest U.S. proposals.

Israel is said to have agreed in principle to a Lebanese army role in the security zone in south Lebanon, but has asked that Major Haddad and his militia remain in charge of the zone after being incorporated in the Lebanese regular forces.

President Amin Gemayel of Lebanon and his army commanders have been infuriated by what they describe as an Israeli-inspired campaign to discredit the Lebanese armed forces.

Mr Yitzhak Shamir, Israel's Foreign Minister, said in Washington last week that it would take the Lebanese army two to three years to be strong onough to establish control in the south, during which time Israel should maintain a military presence there.

Mr Salem has said the U.S. has two weeks to convince Israol of Lebanon's credibility in maintaining security. Failing that, Lebanon might opt for a new course. Deployment of Lebanese regular troops in the south is believed at the moment to be a last resort.

Mark Baker in Peking and Alain Cass in London take the temperature of Sino-Soviet relations

Peking warmer, still fairly chilly in Moscow

QIAN QICHEN, the Chinese Vice Foreign Minister in charge of the delicate negotiations with the Soviet Union, is a man of few words. An urbane, career diplomat, he uses them sparingly and to good effect.

Whon he left for Moscow on February 27 to resume the latest round of talks aimed at easing the 20-year-old feud between the two Communist powers, he said: "The weather in Peking is not so cold now. I hope the weather in Moscow is not so cold."

On his return to Peking he declined to comment on the weather. One interpretation could be that spring will be late in coming to both Peking and Moscow. Another is that the thaw in relations between them will take even longer.

Little tangiblo progress has been made in tho talks, which began last October following the first overtures by the late Soviet leader Mr Leonid Brezhnev. Qian appeared to confirm this view when he added that there wore "no now developments" to report. Further talks, he merely said, would be held in due course in Peking.

To the Western eye, the Sino-Soviet talks might look like a glacier, frozen solid in mutual suspicion and moving imperceptibly, if at all.

There is enough evidence to satisfy both those who claim that no real progress is being mado, and those who see an inexorable trend towards eventual normalisation.

The former point to the fact that, after the fanfare of good words had subsided, the negotiators were left to tackle the three problems which, at root, are insoluble: Moscow's bankrolling of the Vietnamese invasion of Kampuchea, the Russian invasion of Afghanistan and the presence of 1m Soviet troops along China's northern borders.

While both countries stand to gain enormusly from an end to the rift which has split the world communist movement for more than two decades, it is argued that what are now on the table are questions of regional and global power in which both sides have too much at stake to make concessions.

Beyond that, China appears to be demanding tangible military concessions from the Soviet Union in return for a somewhat amorphous promise of friendship.

A different view is that while the deeper issues remain intractable this is not surprising. Indeed, neither side expects rapid progress on what China has publicly called "the three obstacles" to improved relations.

The "three obstacles," in fact, are useful precisely because they are problems which are hard to solve. They can therefore be conveniently used by both sides as reasons to prolong the talks while making progress in other, apparently less significant areas, steadily weaving ties to bind them closer together.

At the same time as the "consultations" in Moscow were running into apparent brick walls, for example, independent teams of Chinese and Soviet negotiators were putting their signature to a deal in which trade exchanges between the two countries would rise 250 per cent to $800m this year—the highest since the early 1960s.

Trade has been a political barometer between the two countries in the past. It slumped to a total of about $210m in 1981 after China attacked the invasion of Afghanistan. In addition the major agreement on cross-border trade, which was suspended in 1969 after clashes between troops, is about to be re-opened.

China has been quietly preparing the ground for an improvement of relations with Moscow in other areas. One example is the secret talks held with Vietnamese embassy officials in Bucharest under the auspices of the Romanian Government.

Another example was the presence, for the first time, in Peking last autumn of the pro-Moscow French Communist Party leadership at the 12th Chinese Communist Party Congress.

Beyond this, there is the fact that relations with the other superpower, the U.S., have changed. Ten years ago, when Sino-Soviet relations were at their lowest ebb, President Richard Nixon opened the door to China and laid the foundations for what appeared then to be an unshakeable alliance between Washington and Peking based, primarily, on a mutual suspicion of the Soviet Union.

Today those foundations have been significantly eroded. The U.S.'s sharp turn to the Right under President Ronald Reagan has alienated China and accelerated Peking's desire to mend it fences with Moscow.

President Reagan's hard line, reinforced by the invasion of Afghanistan and the rapid build-up of its forces in Asia, has demolished what was left of tho policy of detente. While 10 years ago Moscow regarded China as irredeemably hostile and the U.S. as a country with which it could do business in areas of mutual interest, that position has changed dramatically.

Soviet invective towards the Reagan Administration is today more bitter than it has been for 15 years, while its tone towards Peking has become conciliatory even to the point of hinting that it might consider a unilateral troop reduction along the Chinese border.

The pace at which Sino-Soviet relations improve is still very much an open question. The balance of relations between Moscow and the U.S. is still a matter of lively debate in Peking. What can no longer be at issue is that an irreversible process is under way.

Cold comfort in Washington

CHINA'S relations with the U.S. have been steadily deteriorating since Mr Ronald Reagan took office in Washington, Alain Cass writes. The worsening of relations coincides with a shift by China to a more even-handed foreign policy aimed at improving ties with Moscow and the Third World. The main points of contention between the U.S. and China include:

TAIWAN: Peking appears to have been spoiling for a fight over this issue ever since the normalisation of relations with Washington in 1979 and the passing of the Taiwan Relations Act under the Carter administration, to ensure continued U.S. support for Taipei. China recently objected to U.S. plans to deliver a record $1.6bn (£1.1bn) worth of arms to Taiwan. The issue remains the single most important obstacle to better ties between Washington and Peking.

THE ASIAN DEVELOPMENT BANK: China recently applied to join the Manila-based multilateral aid organisation and is now asking for the expulsion of Taiwan from the 45-member body. The bank's charter says members can be expelled only if they default on loans. The U.S. and Japan, between them, control 26.8 per cent of the vote as ADB shareholders and Peking recently challenged the Reagan Administration to back its demand for Taiwan's expulsion.

TEXTILES: Talks to avert a trade war between the two countries over the imposition by the U.S. of unilateral restrictions on some Chinese textile exports ended inconclusively in Peking recently. China has retaliated by banning U.S. cotton, chemical fibres and soyobean purchases.

HIGH TECHNOLOGY: China has been complaining recently that the U.S. is blocking the sale of high technology items, such as computers, badly needed for the country's modernisation drive. President Reagan has banned U.S. companies from bidding for planned Chinese nuclear power stations.

BONDS: A row is brewing over a U.S. court ruling that China must pay up on some gold bonds issued in 1911 by the Hukuang railway. China has repudiated all pre-revolutionary debt but the Reagan Administration could insist that Peking repays $43.3m to some 200 U.S. bond holders.

Mauritius premier claims support for government

PORT LOUIS—Mr Aneerood Jugnauth, the Prime Minister, said yesterday that he had enough support to form a new Government in Mauritius following the resignation of 11 Cabinet ministers from his own party. Tho ministers resigned earlier this week, less than a year after Mr Jugnauth's coalition won every seat in the island's national elections.

Tho central committee of the Marxist-led Mauritian Militant Movement, the main party in the coalition, is considering whether to expel Mr Jugnauth. Mr Jugnauth is the party's president, but Mr Paul Berenger, who resigned as Finance Minister, effectively runs the movoment.

Mr Berenger and 10 other Cabinet ministers resigned from the Cabinet this week in a dispute over a Government radio broadcast of the national anthem in Creole. Mr Jugnauth and the remaining Cabinet ministers have taken on the vacant ministries while the Prime Minister tries to form a new coalition.

Mr Berenger, a Marxist who took part in the 1968 Paris student demonstrations, has been sharply criticised for implementing an austerity programmo to win a new International Monetary Fund loan. AP

India and France conclude N-supply deal

BY K. K. SHARMA IN NEW DELHI

INDIA and France have finally signed an agreement on the supply of nucloar fuel for the U.S.-built nuclear power station at Tarapur in Maharashtra state, bringing to an end a major irritant in relations between India and the U.S.

The agreement was signed by Cogema, a subsidiary of the French atomic energy commission, and India's atomic energy commission a few days ago, after an understanding reached at political level

France has agreed to waive the safeguards stipulated by the London nuclear club of Western nations, which require members to insist on what are known as "pursuit" and "perpetuity" clauses.

Had these been insisted on, India's Tarapur plant would have had to be subject to international safeguards in 1993, when the 30-year agreement with the U.S. on supplies of enriched uranium came to an end. India would also have had to account for the spent fuel. Neither is necessary in terms of the agreement with France.

The U.S. has not been supplying encirched fuel to Tarapur for the past two years because of India's decision not to sign the nuclear Non-Proliferation Treaty (NPT) and also not to agree to international safeguards as required by laws passed by Congress. India said the laws could not be applied retroactively.

David Marsh adds from Paris: French officials admitted yesterday that internationally agreed safeguards on the enriched uranium would apply ooly until 1993.

But they insisted that Paris and New Delhi expected to start bilateral talks soon to work out additional safoguards to be applied after that date. France's view is that controls should still apply against the use of the uranium fuel after this dato for weapon purposes, a Foreign Ministry official said.

● Mrs Indira Gandhi's government faces strong censure by the Indian parliament following the disclosure yesterday that the Election Commission had advised that the conditions for holding last month's elections in the north-eastern state of Assam were not ideal.

More than 3,500 people died in election violence in Assam, which has experienced three years of agitation by students seeking the expulsion of "foreigners" (mostly Bengal's from Bangladesh) from the state.

The Election Commission—a statutory body for the holding of olections in India—said in a statement tabled in the lower house by an opposition leader, Mr Atal Behari Vajpayee, that the elections went ahead only because the administration insisted that polling could be organised.

Philippines central bank acts to help companies

BY EMILIA TAGAZA IN MANILA

THE Philippine central bank has ordered local commercial banks to reduce their holdings of U.S. dollars and to raise their peso lending to companies.

Borrowers have been complaining about inadequate finances for their operations and high interest rates because, the central bank says, banks have been building up their foreign exchange assets and slowing down their peso loans. The banks appear to have been taking advantage of the dollar's rising value.

Under the central bank order, which takes effect on April 30, banks will be allowed to keep 20 per cent of their import financing or letters of credit, as at present, but only 25 per cent of the foreign exchange receipts negotiated through them. The present figure is 30 per cent, and the new figure will be further reduced to 20 per cent by the end of the year.

● AP-DJ adds: Earlier this week, the central bank unveiled a giant raffle scheme, starting next month, designed to double to $1.5bn its annual foreign exchange deposits from Filipinos working abroad.

Anyone who uses foreign currency to buy Philippine pesos at local banks will receive one raffle ticket for each $100 they deposit. One hundred people each month will win 100,000 pesos (£7,230) each.

Malaysia's 'buy British last' policy may go

BY WONG SULONG IN KUALA LUMPUR

DR MAHATHIR MOHAMED, the Malaysian Prime Minister, yesterday told Parliament he was considering withdrawing a personal directive that instructed Government departments to accord the lowest priority to British goods and contracts.

Speaking on the subject for the first time in the legislative assembly, he told an opposition member that he would bring the matter to his cabinet for their views.

The Malaysian leader said there had been "a positive change" in British attitudes towards Malaysia since he imposed the "Buy British Last" directive in October 1981. The directive was ordered by Dr Mahathir, who was angered by what he saw was the persistent insensitive and patronising attitude of British Government officials and businessmen towards Malaysia, and their lack of appreciation for Malaysia's New Economic Policy.

Earlier in the month, Dr Mahathir was in London and met Mrs Thatcher. Another positive factor was Britain's decision to grant an extra £46m over the next three years for scholarships to foreign students, especially Malaysians, bit by high fees at British universities.

Senior Malaysian officials said after the meeting in London that it was quite clear that Dr Mahathir would want to obandon his directive, but stressed that the Malaysian leader would still expect Britain to continue to demonstrate its sincerity in wanting to treat Malaysia as an equal.

The officials point out there is much good will towards British products, and the current fovourable exchange rate would place many British tenders in an advantageous position if bilateral political ties are on an even keel.

Implementation of the New Economic Policy is a major problem for Dr Mahathir. Introduced shortly after racial riots of 1969, it aims to eradicate poverty and transfer 30 per cent of the country's corporate wealth to the politically dominant and economically underprivileged Malays by 1990.

An additional factor is the need to preserve the confidence of the Chinese community in the face of growing Moslem fundamentalism.

Japan denies forcing price cuts

By Michael Thompson-Noel in Sydney

Australia's deteriorating relations with its main trade customer, Japan, were marked yesterday by o denial by Japan's new ambassador to Australia, Mr Kensuke Yanagiya, that Japan bad deliberately overestimated its import needs of Australian raw materials so as to force price cuts.

In Tokyn this week, Australian coal companies are being asked to accept steep price cuts of between A$8 and A$10 (£4.64 and £5.80) per tonne on present contract levels, following reduced demand.

Mr Yanagiya, formerly Japan's ambassador to China, said yesterday: "Unforeseen disruption can happen and force changes. This is unavoidable. But it would not be appropriate tn conclude there is a deliberate attempt on the demand side for a bargain."

Meanwhile, in Canberra yesterday, the leader of the National Party, Mr Daug Anthony, said that the planned showing on U.S. television of o film — Goodbye Joey — which alleges widespread cruelty in Australian efforts to cull kangoroos, could jeopardise Australia's A$500m-a-year beef trade with the U.S.

EEC beats off Asean charges of protectionism

BY JOHN WYLES IN BANGKOK

THE EUROPEAN Community yesterday beat off allegations by the five nations of the Association of South East Asian Nations (Asean) that protectionism was gathering strength in Europe. The allegations were made at top-level talks in Bangkok attended by no fewer than seven EEC foreign ministers.

This gathering of ministerial stars is expected to agree today with their Asean counterparts on important political declaratinns covering both Kampuchea and the Middle East.

This meeting underlines the widening areas of agreement on global issues between the world's largest and richest regional grouping and its flourishing Asian counterpart.

Relations between the EEC and Asean, have been strained by the Community's muscular insistence on curbing textile imports from the area during last year's negotiations on a new multifibre arrangement. At the same time the Asean members — Malaysia, Thailand, Singapore, the Philippines and Indonesia — have become increasingly bitter about their inability tn increase their agricultural exports because of the Common Agricultural Policy's protective levies.

Opening speeches from the Asean side at the two-day meeting pointed to a determined attempt to attack the Community on the trade front. The assault was successfully deflected by an effective speech by Herr Wilhelm Haferkamp, the European Commission president.

Mr Francis Pym, the British Foreign Secretary, and several of his EEC colleagues waded in later to deny any slide by the community into protectionism. But it was Herr Haferkamp's speech which diplomats felt prompted the Asea ministers to hold their fire.

He reminded the Asean delegations that the EEC takes 28 per cent of all its exports from the Third World—twice as much as Japan, a quarter more than the U.S. and seven times more than the Comecon countries.

The Community, he said, imported two-thirds more manufactured goods from Asean than does the U.S. and nearly four times as much as Japan. The ratio of manufactures in Asean exports to Europe has risen from 25 per cent in 1973 to 44 per cent in 1981.

Thai Prime Minister Prem Tinsulanonda (centre) opens Asean-EEC meeting. With him are West German Foreign Minister Hans-Dietrich Genscher (left) and his Thai counterpart Siddhi Savetsila.

Asia-Pacific trade ministers meet in Hobart

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE POSSIBILITY of concerted trade action by countries in the Asia-Pacific region will be discussed at a conference of ministers, senior officials and business leaders starting in Hobart, Tasmania, today.

The conference will assess the growing tendency of countries in the Western European and North American trade blocs to resort to non-tariff and "informal" trade restrictions. It will also discuss how countries in the region might co-operate to "avert a breakdown in the international system of trade and poyments."

Ministerial representatives are expected from Australia (which is host), Singapore, New Zealand, Malaysia, the Philippines, Hong Kong, Thailand, South Korea and Papua New Guinea.

Other countries represented include the U.S., Canada, Indonesia and Japan, while China is sending its ambassador.

Australia's senior representative is the new Deputy Prime Minister and Minister for Trade, Mr Lionel Bowen. However, the new Labor Government in Canberra is more overtly protectionist than its Liberal-National Party predecessor, and has said that Australia has no intention of reducing its own trade barriers while unemployment (at present 10.7 per cent) remains high.

Mr Hugh Corbet, director of the London-based Trade Policy Research Centre, which is organising the conference, denied that the new Australian Government's trade stance was an "embarrassment" — and denied, too, that the Hobart conference would prove yet another talkfest.

Potentially, the western Pacific region posesses considerable trade clout. From Japan and China in the north, to Australia and New Zealand in the South, to Malaysia and Singapore in the West, the region habours several muscular manufacturing economies.

The region accounts for about 32 per cent of the world's population, more than 16 per cent of world GNP, about 16 per cent of world exports—with Japan dominating—and has rich energy, mineral and farm resources.

British Shipbuilders win £25m Ethiopian order

BY ANDREW FISHER, SHIPPING CORRESPONDENT

BRITISH Shipbuilders has won a much needed £25m export order from Ethiopia. The loss-making group, which is state-owned, is to build two general purpose cargo carriers of 10,500 deadweight tonnes for the country.

The work will be carried out at Austin and Pickersgill, the Tyneside yard. The ships are for delivary in the second half of 1984 to Ethiopian Shipping Lines of Addis Ababa.

BS, which is expected to lose between £50m and £70m in tha current financial year to March 31, 1983, has been striving to win new business during the world slump in merchant shipping.

Last week, it told unions that as many as 9,000 more redundancies may be required this year if orders did not pick up sufficiently. The Ethiopian order, while welcome, will not do much to alleviate tha financial strain on BS.

The ships will be versatile and suitable for worldwide trading. They will operate mainly between tha Red Sea and northern Europe and will be able to carry general cargo, bulk cargo and containers.

"This is good news for the industry," said Sir Robert Atkinson, BS chairman. "It will help to provide much needed work." The ships will be the first ever built in the UK for Ethiopia.

BS said the contract had been won after nine months of negotiation against strong worldwide competition. Clark Hawthorn, another BS subsidiary on the Tyne, will supply one of the new fuel-economy Sulzer engines of Swiss design for each ship.

BS merchant yards currently have export contracts for Brazil, Canada, Cuba, Greece, Hong Kong, Kenya, New Zealand and Panama. Together, they account for 49 per cent of the total merchant order book. The latest order brings merchant orders up to around £650m, still down on a year ago.

UK company agrees China straw building project

BY JAMES McDONALD

A BRITISH company has reached an agreement with China under which two factories near Peking will be producing early next year building material panels made of rice and wheat straw by the company's unique straw conversion process.

Each of the plants will cost between £1m and £1.5m and each will produce annually about 500,000 sq metres of rice or wheat strawboard—sufficient to build 2,000 low-cost homes of 65 sq metres area per home.

Stramit International of Stowmarket, East Anglia, has spent three years persuading Chinese authorities of the effectiveness of its system of converting straw into a building board by means of heat and pressure, but without any external bonding agent.

The negotiations involved showing a Chinese delegation the system at work in a Thailand factory.

The Stramit process was invented in the early 1930s in Sweden and taken up in England in the 1940s.

At the heart of the process is the fact that straw, subjected to reasonably high temperature and pressure, releases its own internal resinous bonding agents. This makes it possible to extrude a continuous building board without the addition of resin or any other bonding agent, except for glue used on paper or cardboard liners to the board.

Jamaican exchange rules upset Caricom trade

BY CANUTE JAMES IN KINGSTON

TRADE between the larger members of the Caribbean Economic Community (Caricom) has been brought to a standstill by o row over new foreign exchange arrangements imposed by the Jamaican Government. Manufacturers in Jamaica, Barbados and Trinidad and Tobago say orders are being cancelled and no new onea being placed as a consequenca of the Jamaican Government's decision to impose a two-tiered foreign exchanga system in early January.

Imports from the other 11 members of the community are being bought by Jamaican traders at a higher and floating level of exchange, currently about Jamaican $2.65 to the U.S. dollar. The Jamaican Government is carrying out some transactions, such as the purchase of basic foods, drugs and petroleum at the lower (official) rate of Jamaican $1.78 to the U.S. dollar.

The other Caricom countries—but mainly Barbados and Trinidad and Tobago—have argued that their goods are being offered to Jamaican consumers at uncompetitively high prices.

The anger in Barbados was painfully illustrated to the Jamaicans when the administration of Mr Tom Adams, the Prime Minister, decided to float the Barbadian dollar against the Jamaican dollar in all transactions between the two islands.

Mr Horace Barber, the governor of the Jamaican Central Park, accused Barbados of discriminating against Jamaica. He claimed that the action violated rules concerning relations between members of the International Monetary Fund.

Protests from traders in Trinidad and Tobago were answered when the Government of Mr George Chambers imposed a licensing system for goods from other Caricom countries. It is expected here that Jamaican goods will be particularly hard hit.

Byrne pulls out of Chicago race again

By Nancy Dunne, in Washington

MAYOR Jane M. Byrne will not seek re-election as mayor of Chicago.

Despite her earlier insistence that Chicago voters "know how to write," Mayor Byrne withdrew from the race late on Wednesday after the city's election board rejected her attempt to have the write-in voting process simplified.

The mayor, who lost the Democratic primary in February to Mr Harold Washington, a black congressman, had failed to gain any support from national or local Democrats.

Her latest – and presumably final – withdrawal leaves the race a two-way battle between Mr Washington and Mr Bernard Epton, a Republican Jewish millionaire. Mr Washington appears to be the leader in the overwhelming Democratic electorate, where more than 40 per cent of the voters are black.

Mr Epton, who has launched a vigorous advertising campaign attacking Mr Washington's conviction for failing to file income taxes for four years, is expected to capture the white blacklash vote, now that Mayor Byrne is out of the race.

REAGAN CHANGES TACK ON ZERO OPTION

U.S. plans new arms limit offer

BY BRIDGET BLOOM IN WASHINGTON

THE U.S. is preparing to launch a new initiative at the stalled Geneva talks to limit nuclear missiles in Europe.

It is understood that President Ronald Reagan has now agreed to proposals which would put a ceiling on the number of medium-range missiles which the two superpowers could deploy in Europe.

The proposals, which are expected to be introduced by the U.S. delegation at the Geneva talks within the next few days, come after sustained pressure from key Nato governments anxious to see the U.S. regain the initiative from the Soviet Union on the missile issue.

The proposals represent a marked departure from the so-called zero option which has been the U.S. position at the Geneva negotiations since the talks opened in November 1981.

The zero option calls for the Soviet Union to dismantle all of its existing medium-range missiles, including about 350 SS20s, in return for the non-deployment of 572 new U.S. cruise and Pershing II missiles.

However, the new U.S. plan is said to propose that both sides deploy no more than 100 missile-launching systems, carrying no more than 300 warheads.

This would mean that deployment of the new cruise and Pershing missiles would begin as planned at the end of this year hut, provided the Soviet Union dismantled a matching proportion of its existing missiles, U.S. deployment would not exceed the agreed ceiling.

Effectively such an accord would involve U.S. deployment of 300 single-warheaded missiles against the planned total of 572, while the Soviet Union would be required to reduce its present estimated 350 SS20s to 100, since each SS20 carries three warheads.

Under present plans, Mr Paul Nitze, leader of the U.S. delegatioo in Geneva, is expected to table proposals at the final session of this round of the missile talks early next week.

President Reagan has said that he will address the nation on arms control on March 31. It is expected that he will give some details of the new proposals which he will probably explain are for an interim solution and do not mean the zero option will be abandoned.

The U.S. offer, which has apparently been the subject of painstaking bargaining within the administration, will be made largely in deference to the wishes of Nato governments in Europe, led by Britain, West Germany and Italy where the first missiles will be deployed.

European governments have argued that the zero option is no longer realistic. The hope in Europe is that, with the re-election of Chancellor Helmut Kohl in West Germany, the Soviet Union would realise that Nato will begin to deploy the new missiles. That should provide Moscow with an incentive to negotiate seriously.

President Reagan

Washington's European allies also bave domestic reasons for wanting the U.S. to take a new initiative in the talks. They believe that political opposition to the new missiles will strengthen, as the date for actual deployment approaches.

However, while these concerns are now recognised by the administration there is very little optimism here that Moscow will respond favourably to the new offer.

On the contrary, there seems to be a widespread conviction that no agreement on medium-range missiles will be possible until deployment bas actually begun, and maybe not even then.

Partly for this reason the Pentagon originally opposed the idea of a new U.S. offer.

Officials believe that Moscow considers it has more to gain militarily and politically by not agreeing to ceilings on medium-range nuclear missiles at this stage.

The Pentagon bas now apparently agreed, though without enthusiasm, that the new offer should be made.

It is understood that the new offer would not put a ceiling oo the number of nuclear capable aircraft that each side could have in the medium-range category.

The offer would also allow each side to determine which type of missile should be deployed under the agreed ceiling, so that, for example, the U.S. could decide to deploy a mixture of cruise and Pershing missiles.

Salvador aid plan over first hurdle

By Reginald Dale, U.S. Editor, in Washington

PRESIDENT Ronald Reagan's request for urgent new military aid for the U.S.-backed government of El Salvador has overcome its first congressional hurdle, following the Senate subcommittee approval of an emergency transfer of \$60m in emergency funds.

However, the committee has attatched some conditions. It wants n written statement saying that the number of U.S. military advisers and trainers in the country should not exceed the Administration's self-imposed limit of 55. It also wants assurances that the Administration should take the initiative to bring about "unconditional discussions" between the Government and left-wing insurgents about the holding of the elections.

● Troops of the left-wing Nicaraguan Government and right-wing Nicaraguan exiles from Honduras have engaged in heavy fighting north of Managua, and Honduras said it was on the verge of war with its Central American neighbour, AP reports.

Reagan proposal for new ABM system gets frosty reception

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

DEMOCRATS YESTERDAY reacted with scepticism and dismay to President Ronald Reagan's proposal for a massive new anti-ballistic missile system to end the threat of nuclear war by the year 2000.

Explaining Mr Reagan's plan, lmunched in n nationally televised address on Wednesday evening, Administration officials said that such new technology as lasers, microwaves and particle beams had made such n system possible. A system based in orbit around the earth was also feasible, they said.

The general reaction from anyone remotely left-of-centre was first that the system was technically unworkable and second that it could only fuel the arms race with the Soviet Union.

Mr William Jackson, n defence expert at the Democratic-leaning Brookings Institution, said that such n system would never work in the nuclear age "because of the decided advantage the offence has over the defence and offensive weapons over defensive weapons." Even assuming such a system could be developed, "the Soviets are bound to read this as preparation for a first strike," he said.

Even some Republicans were critical. Senator Mark Hatfield, a moderate Republican from Oregon, said thot Mr Reagan had, in effect, "called for the militarisation of the last great hope for international co-operation and peace – outer space."

Mr Robert McNamara, the former Defence Secretary, described Mr Reagan's plan as "literally pie in the sky." He said that he would strongly support carrying out research, but that the U.S. had been working unsuccessfully on anti-ballistic missile technology for the past 25 years and he did not think that it could succeed in the next 20.

Senator Alan Cranston of California, a long-shot Democratic hopeful for the presidency and an ardent anti-nuclear campaigner, said that Mr Reagan had gone on television "to try to scare the American people and Congress into spending more money than is necessary to defend our country and our allies."

The proposal was also attacked by Senator Gary Hart of Colorado, another official contender for the Democratic presidential nomination, who called it contrary to 30 years of policy in arms control. "It's in keeping with the President's attitude that we can win a nuclear arms race. It's very destabilising," he said.

Mr Reagan's speech was welcomed by the right-wing Heritage Foundation, which said that it would have preferred an even stronger statement.

Ecuador strikers press to overturn measures

BY SARITA KENDALL IN QUITO

ECUADOR'S trade union leaders say the general strike which has brought the country to n halt since Wednesday will cootinue indefinitely unless the government agrees to meet a 10-point list of demands. This includes the annulent of recent economic measures, substantial wage increases and the nationalisation of foreign banks and exchange houses.

The unions have also called on Congress to censure the Government's economic policy and revoke last weekend's 21 per cent devaluation. But the President of Congress said a special parliamentary session might exacerbate the political situation and provoke an extreme right-wing coup.

Offices, banks, shops and factories continued shut on the second day of the strike, while marches, protests and barricades made it impossible for traffic to use the capital's streets.

There were violent clashes between police and rioters in many areas and a student was shot and killed.

The main cities were quieter than expected and groups of strikers played football as they tended burning tyres on main intersections.

So far, the Government has given no sign of backing down on the economic package, designed to alleviate Ecuador's balance of payments and foreign debt crisis, but there have been several sessions of talks with union representatives.

Accused of endangering Ecuador's four-year old democracy, strike leaders said the solution lay in the hands of the Government and Congress.

EEC 'should strengthen ties with Latin America'

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT, IN LONDON

THE EEC, with its prospective new members Spain and Portugal, should join Latin America in a strategy to roll back recession and relaunch the world economy, says Dr Manfredo Macioti, head of the EEC permanent delegation to Latin America, in a paper published by the Atlantic Institute for International Affairs.

The two regions, he says, "offer the world in general and the Third World in particular the 'third way' which so many developing nations are striving to foster against severe odds."

"For the first time since the industrial revolution, there seems to be no clear model for development in sight. Both capitalism – as expressed for example, by Republican U.S.A. – and communism – typified by Soviet Russia – appear unsatisfactory models for the world," he comments.

Dr Macioti, who is nbout to quit the EEC mission in Caracas to become the Community's envoy to India, calls for immediate action in four areas while the longer-term strategy is being worked out.

He suggests the convening of a top-level political consultation between the leaders of the two regions on such topics as the North-South dialogue and Central America. The European Community should secondly support those Latin American economic integration efforts which are rooted in parliamentary democracy and respect for human rights.

The third initiative should be the sponsorship by the EEC and the SELA (the Latin American Economic System), based in Caracas, of contacts between business and trade, investment, technology, finance, insurance and other key sectors.

Union wins in 'right to choose' action

By John Lloyd, Labour Editor

THE HOUSE of Lords yesterday reversed an Appeal Court judgment which had upheld the right of workers to join any union.

The case was seen as crucial for industrial relations. A confirmation of the Appeal Court judgment – made when Lord Denning was Master of the Rolls – would have breached the Trades Union Congress (TUC) rule regulating union memberships, and preventing indiscriminate "poaching" of members.

The white-collar union, Apex, had appealed against the previous ruling that Mr Ernest Cheall, a *Vauxhall Motors* security officer, should not have been expelled from Apex because his membership constituted "poaching."

Mr Cheall had left the white-collar section of the Transport and General Workers' Union (TGWU) in 1974 to join Apex. He was expelled in 1978, following an appeal by the TGWU to the TUC disputes committee and a TUC instruction to Apex to discontinue his membership.

In the Appeal Court Lord Denning held that workers' rights to join the union of their choice was enshrined in the European Convention on Human Rights, and that workers also had the right not to be expelled from unions without reasonable cause.

Yesterday Lord Diplock said: "My sympathies are with Mr Cheall but I am not in a position to indulge them."

He said that while public policy and the European Convention could be adduced as being contrary to the TUC rules, "freedom of association can only be mutual."

He said: "There can be no right of an individual to associate with other individuals who are not willing to associate with him."

He added: "I know of no existing rule of public policy that would prevent trade unions from entering into arrangements with one another which they consider to be in the interest of their members' bargaining power with their employers."

Change in that direction would have to be made by Parliament, he said. Different considerations might have applied had Mr Cheall's job been put in jeopardy.

Apex said after the judgment an adverse decision would have thrown the industrial relations system into chaos. Mr Cheall is considering taking the case to the European Court of Human Rights.

Current account back in surplus but trade worse

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

BRITAIN's current account balance of payments surplus moved back into surplus in February, but the official figures released yesterday appeared to confirm that trading performance has deteriorated sharply since the turn of the year.

The current account moved into a small *surplus of £42m* compared with a deficit of £311m in January. However, in the three months, December to February the surplus was £388m compared with £1.5bn in the previous three months. The average monthly surplus in 1982 was about £330m.

A very sharp move into deficit in January was considered by officials to be somewhat erratic. However, there was considerable speculation *that it might reflect increased imports needed to rebuild stocks after* the big run-down last year.

This view appeared to be supported yesterday by newly revised stocks figures which showed a much increased estimate for the extent to which stocks were reduced in the last three months of 1982. The latest figure of £482m (1975 prices) is larger than the run-down in any quarter during the present recession including the second quarter of 1981.

Stocks figures for the present year are not yet available, but even a slower pace of de-stocking would be expected to result in increased *imports* and a *pick up of manufacturing* production, both of which seem to have happened.

The February trade figures show a large deficit of £742m on non-oil trade. This is smaller than the defi*cit of £1bn in the previous month*, but the volume of non-oil imports continued at a sharply increased rate, about 9 per cent ahead of the average monthly rate last year.

Exports, however, recovered from what appears to have been an erratically low level in January. The volume of non-oil exports in January was about 1 per cent higher than the average for 1982.

Imports of manufactured goods rose sharply in the first two months of this year, with the volume in February 14 per cent higher than the average for last year.

Missiles safety assurance

By Stephanie Gray

DEFENCE SECRETARY Mr Michael *Heseltine* yesterday dismissed the doubts of many U.S. military experts that the guidance system for cruise missiles to be based at RAF Greenham Common were faulty.

Mr Heseltine was speaking after a visit to the Berkshire silo site by British and foreign journalists ahead of the Easter weekend demonstration planned by the Campaign for Nuclear Disarmament.

It *would* be *unthinkable that* the U.S. would deploy the missiles if it did not have the utmost confidence in them, said Mr Heseltine.

He said U.S. Defence Secretary Mr Caspar Weinberger had assured him at the nuclear planning group meeting in the Algarve that test programmes in which serious guidance defects were initially discovered were proceeding well.

Tilbury port stoppage spreads

By Bryan Groom

THE CRISIS at the Port of London Authority (PLA) deepened yesterday when 2,300 Tilbury dockers reaffirmed that their 11-day old official strike would continue until they won their claim for parity with the basic pay rates of tally clerks.

Meanwhile 2,000 dockers at London riverside wharves who are not employed by the PLA, will join the strike on Monday. This could threaten *the future of some of* the less-financially stable wharves.

Thames lightermen who operate tugs and barges said yesterday that they would also join the strike on Monday. They belong to the same union as the dockers, the Transport and General Workers' (*TGWU*).

Mr Bill Munday, district official of the TGWU, said he could not see an early end to the dispute. The dockers are not planning to meet again until April 7.

The cost of the strike so far has wiped out the £2m to £3m profit for which the PLA has budgeted this year. It is now surviving on a small overdraft facility allowed by the Government.

If this runs out, the PLA will face a serious problem. Mr David Howell, Transport Secretary, said before Christmas that there would be no more grants to cover deficits.

Ellerman: an empire for sale

Trustees are seeking a buyer for one of Britain's largest and most colourful private companies, Andrew Fisher reports

SIR JOHN ELLERMAN, the reclusive head of Ellerman Lines, had two abiding passions: rodents and Gilbert and Sullivan operettas. He disliked the press, was rarely photographed, and was often, and not surprisingly, compared to Howard Hughes, the U.S. businessman who also hated publicity.

Sir John died 10 years ago, leaving a £53m fortune and no heirs.

Now, however, details of loss-making Ellerman Lines with its shipping, brewery and travel interests are being pored over by likely purchasers. With the For Sale notice up, the glare of publicity on one of Britain's largest private companies is unavoidable. What Sir John, whose stern and intense features stare forbiddingly from the pages of the company's history, would have made of it is hard to imagine.

In the days when Britain's immensely rich and financially powerful men were more numerous and seen by the popular press as their natural quarry, Sir John's movements were closely watched in case the famous guard slipped and a few inches of copy could be squeezed from his activities.

In 1967, the *Daily Express called* him "our poorest camera subject." He was soapped strolling through a meadow in Buckinghamshire, rubber-booted and swatched to a big raincoat, his features pursed in a *scowling expression* of his distaste at the photographer's intrusion.

Sir John took over the company when his father, who had founded it, died in Dieppe in 1933. "It was the end of a remarkable career," wrote Mr James Taylor in his book, "Ellermans – A Wealth of Shipping." The first Sir John, he described thus: "Essentially a man of his time, he was an individualist, a commercial giant, and a money-maker of supreme ability."

The second John Reeves Ellerman was only 23 when his father died. He inherited a fortune esti*mated at nearly £40m. But for the* 1930s slump, it might have been higher. It was more than enough, though, to guarantee attention from the newspapers; it was then he developed his antipathy to them.

Ironically, his father had been heavily *involved in newspapers*, including the Financial Times, towards which his business bias had inclined him. He was the largest shareholder for 15 years until he sold out in 1919. At various times, he also had major interests in the Daily Mail, The Times and magazines such as Sphere and Tatler.

The son took a far less direct role in the company than his pioneering father who had formed it in the ear*ly years of this century. The start*ing point had been his joining of the board of Liverpool-based Frederick Leyland in 1892. He then began extending his shipping activities.

At one time, just before these interests took on the name of Ellerman Lines in 1902 – the founder's father was a German, Johann Herman Ellerman, who had come from Hamburg to Hull – U.S. financier John Pierpont Morgan started moving into the UK shipping business. He bought Leyland, but John Ellerman kept the Mediterranean fleet and business.

Expansion thereafter was rapid, *with Papayanni Line, City and Hall* Lines, Westcott and Laurance Line, Bucknall Steamship, and Wilson Line all being added. In the First World War, losses were heavy – 60 ships were lost and many others badly damaged. The fleet rebuild*ing was still not complete* when the Second World War began.

In that war, as many as 95 ships were lost. But expansion was resumed swiftly. By 1960, the company operated 90 ships totalling more than 600,000 tons. In the 1970s, it spent heavily on new container ships and bought the breweries J. W. Cameron and Tollemache and Cobbold.

Just before his death, Sir John *created two charitable trusts which* own 79 per cent of Ellerman Lines. His widow, now the Hon Mrs George Borwick, is a trustee of the charities – Sir John was a noted philanthropist – and owns the other shares through a Luxembourg company, Marine Holdings.

Shipping, certainly against the background of a fast declining UK flag fleet, is by no means the growth industry it used to be. Re*cession, over optimistic ordering in* recent years and the growth of cheaper cost fleets in the Far East have all taken their toll of the West's merchant shipping strength.

Ellerman, which now has direct interests in 18 ships – almost all big container vessels – and a number of charters, has suffered badly in the shipping crisis. Ever since Sir John's death there has been talk of a share flotation. Recent losses have blocked this.

The company lost £4.3m before tax in the first half of 1982, mostly because of problems on shipping. In 1981, it earned only £2.5m on turnover of nearly £217m. Losses for all of 1982 could approach £8m.

Morgen Grenfell, the merchant bank which is handling the sale, is trying to sell all of Ellerman rather than having it split up. The last big UK shipping company sold abroad was Furness Withy, bought by *Hong Kong's C.Y. Tung Group for* £113m in 1980.

What Ellerman Lines will fetch is anyone's guess. As a possible purchaser, the highly diversified British and Commonwealth Shipping has been *prominently mentioned*. No reserve price has been put on the company by the bankers. But a hefty 1982 loss would shrink its net worth to about £80m.

Ford may refer strike to conciliation service

BY OUR LABOUR STAFF

FORD MANAGEMENT has not ruled out referring the 16-day old strike at Halewood, Merseyside, to the conciliation services, Acas.

The Transport and General Workers' Union (*TGWU*) – which has now made the strike official – has rejected the company's present offer of an independent industrial tribunal to decide the fate of Mr Paul Kelly, the assembly worker whose dismissal for alleged vandalism led to the strike. Mr Ron Todd, TGWU national officer, will meet Halewood stewards today.

The union is demanding Mr Kelly's reinstatement but might agree to a *reference to* Acas. The strike has now cost production of 11,500 Escorts worth £57.5m at showroom prices. About 8,700 of the 10,000 hourly-paid production workers are now either laid-off or on strike.

● The BL factory at Cowley, Oxford where the new Maestro model is made is now making more cars than at any time in the last 10 years. Austin Rover says output at the car assembly plant is running at 4,050 a week.

Cowley is now on course for breaking the 200,000 car barrier for the first time since 1972, when 230,000 were built a spokesman, said. If the present rate of production is maintained throughout the year, output will reach 206,275 before the Christmas holidays. Output could be raised even higher if demand for the new Maestro warrants it.

Maestros are being built at the rate of 2,000 a week and sales in Britain in its first month are expected to reach 8,000. In the three weeks since its launch 6,168 Maestro's have been registered in Britain.

Airlines continue move against Laker's claim

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

BRITISH AIRWAYS and British Caledonian are asking the High Court to continue temporary injunctions stopping the liquidator of Laker Airways proceeding against them in his $1bn conspiracy and anti-trust damages actioo in the U.S.

The two airlines want the Commercial Court to rule, that any proceedings against them arising out of last year's Laker collapse should be only in the English courts.

They deny the allegatioo by the liquidator, Mr Christopher Morris, of Touche Ross, that they were part of "an unlawful combinatioo or conspiracy" to destroy Laker. In a counter-move Laker is to ask the court to dismiss the two airlines' actions.

The litigation following Laker's collapse has beeo the subject of conflicting decisioos in the Commercial Court and the U.S. court.

Yesterday Mr Richard Scott, QC, for British Airways, told Mr Justice Parker the latest U.S. judgmeot meant that if he granted the orders sought by BA and British Caledonian a serious clash betweeo the courts of the two countries could result.

Mr Scott was referring to a March 9 decision by Judge Greene in Washington's district court to make orders stopping six other, noo-UK. defendants seeking protective orders from the English courts.

Mr Colin Ross-Munro, QC, for British Caledonian, said it was contrary to UK public policy for one British airline to sue another in the U.S. on an anti-trust claim for triple damages, wheo the basis of the actioo was tariffs fixed by the Civil Aviation Authority and approved by the Civil Aeronautics Board.

Such an actioo was even more objectionable when the UK did not recognise the extra-territorial scope of the U.S. anti-trust legislation.

Nor, said Mr Ross-Munro, should one British corporatioo be permitted to bring a quasi-penal action in the U.S. against another over acts committed in the UK which were lawful in the UK.

The hearing continues today.

In addition to the UK airlines, the defendants to the Laker actioo in the U.S. are Pan American, Trans World, Lufthansa, Swissair, Sabena, KLM and two McDonnell Douglas companies. Last month Midland Bank and its subsidiary, Clydesdale Bank, were granted an order stopping the liquidator adding them as defendants.

As Northern Ireland prepares for new economic measures, **Anthony Moreton** examines the vital issues

Prior treads the careful path to Ulster's revival

THE UK Government's economic measures for Northern Ireland will make the province the most attractive place io the European community in whicb companies could invest, Ulster Secretary Mr James Prior said this week.

He had just announced moves which he admitted had been drawn up to counter the attractions of the neighbouring Irish Republic, where, to all inteots, the whole country is an assisted area.

The main thrust of Mr Prior's oew measures was a corporation tax relief grant of up to 80 per ceut for new projects, which he described as a "major incentive". This grant will be conditional on employmeot creation.

The other principal arm is an extension of industrial de-rating to 100 per cent from the present 75 per cent.

The Government will also offer 30 per cent grants towards the cost of energy conservation programmes, make grants available towards the "attraction and retention of sound management talent" and set up an advisory service to industry.

Mr Prior has had to tread a careful path betweeo those in Northern Ireland who have been urging greater industrial incentives on him and the Treasury, which does not want to spend money.

Sir Desmond Lorimer, the Ulster businessman appointed by Mr Prior to head Northern Ireland's Industrial Development Board (IDA), has been telling the Minister that the preseot package, which includes 50 per ceot grants towards plant and machinery, compared with 15 or 22 per cent in Britain, 40 to 50 per cent research and developmeot grants and training grants of between £20 and £40 a week per employee, was insufficient to match what the Irish Developmeot Authority was offering in the Repuhlic.

The Ulster grants had "failed to do the trick," Sir Desmond said. The 10 per cent corporation tax in the Repuhlic was thought to be easily understood and easily marketable and had instant appeal – especially in the U.S., where there is a tendency to generate profits quickly on oew projects.

Britain's 52 per cent corporation tax level looks positively draconian hy comparison, although, as every accountant knows, hardly any company pays that level. Many companies, because of allowances and other factors, pay little more than the Irish level.

Convincing the treasurer of a company considering moving to Northern Ireland of the validity of these allowances and the net levei of taxation is difficult – though if he looks across the border, where there is a flat 10 per cent, he feels a lot happier about his long-term projections.

EUROPEAN COMMUNITY ASSISTANCE 1981

	Capital grants max. rate (%)	Interest concession maximum (%)	Duration (yrs)	Repayment holiday (yrs)	Expenditure 1980 in local currency
Northern Ireland	30	3	7	3 (coincided with award)	£116.4m
Great Britain	22	–	–	–	£595.9m
Belgium	24.3	7	5	2	BFr 4.4bn
Denmark	25	3.25	10 - plant 20 - bldgs	5 in law 2 in practice	Kr 250m
France	25	8.75	3 or 5	3 or 5	FFr 1.7bn
W. Germany	25	4 below standard rates	10 - plant 15 - bldgs	2	DM 3.1bn
Greece	50	9.25	6 - bank loans 10 - bonds	N/A	–
Ireland	60	–	–	–	I£230m
Italy	56	64% of market rate	15 - in south 10 - elsewhere	5 or 3	L2.3bn
Luxembourg	15	3	5	–	Fr 688m
Netherlands	35	–	–	–	Fl 428m

Source: European Regional Incentives 1982 ed Douglas Yuill and Kevin Allen, Strathclyde University

Mr Prior's dilemma was that the Government had set itself firmly against any extension of regional assistance.

It has turned a deaf ear to pleas for help from the West Midlands, which has become a depressed area, and is actually working out how to reduce its regional commitment if it retains power after the next General Election.

Furthermore, the spectre of De Lorean and the closed textile concerns, which opened with high hopes and equally high grants, influences all judgements now.

While Mr Prior obviously wanted to help, there is some evidence that the present package has been rushed out. Mr Prior introduced it to meet a Northern Ireland Assembly deadline on Wednesday night and admitted he had no estimate of the cost of the package nor, when even some of the concessions would come into operation.

De-rating and the energy scheme will cost £9m a year but there is not even an estimate about what the other three might add nor when they will start.

De-rating will begin on April 5, the energy grant "in about three months," the tax relief grant "in rather longer than three months."

Northern Ireland's task in taking on the Republic is monumental because the incentives are attractive and widely considered by other member governments in the European Community to bend it not actually break the rules.

The 10 per cent corporation tax rate for all manufacturing companies will apply until December 31, 2000. Until the end of 1980, the Irish also offered a oil rate on profits generated by exports but this was stopped after intervention from Brussels.

Discretionary capital grants towards new plant ond equipment are available up to 60 per cent of the eligible costs in the west of the country and up to 45 per cent elsewhere, so the whole of the country qualifies for some sort of assistance – as does the whole of Northern Ireland, of course.

In addition, there are interest rebates, loan guarantees and equity finance. All these are for manufacturing industry but the Irish Government also has a scheme to help service industries which have an export content.

In a characteristic move, Ireland has extended the 10 per cent corporation tax rate to service industries which are deemed by the tax authorities to be "manufacturing."

The IDA has attracted new companies. In 1981, the last year for which figures are available, it approved projects which would create 33,720 jobs, negotiated more than 2,000 projects and made grant commitments totalling I£300m.

All the member countries help their industries. In Belgium, for instance, 39.5 per cent of the population and 33 per cent of the land mass are covered by assisted area status. In Germany the figures are 30 per cent and 50 per cent respectively, and 38 and 53 per cent in France.

The Italians are strong supporters of their industry and most other Community members also complain the Italians have a network of hidden aids, such as writing off losses or the writing-down of assets, for concern they want to assist. A third of the population and 41 per cent of the land mass qualify for regional aid.

Companies told to designate shares without voting rights

BY JOHN MOORE, CITY CORRESPONDENT

THE STOCK Exchange ruling council has told companies which have shares that do not allow shareholders to vote, or are limited in their voting rights, that they must provide a clear description that the share capital carries a less favourable voting status.

Companies having non-voting equity capital have been requested to include the phrase "non-voting" in its designation. Companies having equity capital listed which has less favourable voting rights than another class of equity capital have been requested to alter the designation of such capital so as to include the words "limited voting" or "restricted voting."

With the exception of 11 companies, all other groups have altered the designation of their securities in the way recommended by the Stock Exchange.

Of the 11, five companies, Aquascutum Group, Greenall Whitley, Scottish Cities Investment Trust, Solex and Vosper, have agreed to put the matter to their shareholders not later than at their next annual general meetings, while a sixth company, Great Universal Stores has agreed to do so during its financial year ending March 31, 1984.

Other companies which, the Stock Exchange says, carry classes of capital with less favourable voting rights than another class of equity capital are Vosper, C.H. Bailey, Rothmans International, Savoy Hotels, Stylo, Trusthouse Forte.

Companies which maintain two classes of equity capital have always attracted criticism in the City of London. Before Associated Communications Corporatioo (ACC), the entertainments empire of Lord Grade, was taken over by business interests of the Australian entrepreneur, Mr Robert Holmes à Court, institutional shareholders were constantly urging Lord Grade to enfranchise the class of shares which were available only to outside investors.

These companies which have maintained two classes of capital have often done so to ensure that control of the company remains with the family which formed the company, or executives which run the group.

15,000 sales for Journal in Europe

THE EUROPEAN edition of The Wall Street Journal, eight weeks after its introduction, has a possible circulation of about 15,000 copies daily Mr Paul C. Atkinson, international advertising director of the newspaper, estimated in London yesterday.

He told an international financial communications conference that the European editioo had about 10,000 subscribers and that there were probably about 5,000 newsstand sales daily.

مكاتب الأعمال

TECHNOLOGY

EDITED BY ALAN CANE

IBM EXPERIMENT ILLUSTRATES GROWING INTEREST IN SYNCHROTON RADIATION

Mini atom smashers as chip production tools

BY DAVID FISHLOCK, SCIENCE EDITOR

IBM researchers have replicated a mask for an integrated circnit using radiation from an atom-smasher, in an X-ray lithography experiment at the Brookhaven National Laboratory on Long Island. It could lead to the use of miniaturised atom-amashers as production-line tools in large-volume semiconductor factories of the future.

The IBM experiment illustrates a fast-growing industrial end medical interest in synchrotron radiation, involving such organisations as Exxon and Bell Labs in the U.S. and ICI, BP and Shell in Britain. Thia is an intense and broadband source of electromagnetic rays created as a by-product of particle accelerator rings. Long seen by high-energy physicists as wasted energy as well as e hazard, it has been coveted by other scientists ae an intense end continuously tunable source of ultraviolet and X-rays.

So enthusiastic are IBM scientists at the Thomas J. Watson Research Center at Yorktown Heights, near New York, they talk of building their own machine for X-ray lithography in the basement. Meanwhile, they are among a group of U.S. industrial aponsors whose experiments occupy 75 per cent of the running time of the National Synchroton Light Source, as the new Brookhaven fecility is called. It is the first dedicated souree of synchrotron radiation in the U.S.

The Brookhaven accelerator, 15 metres across, cost the U.S. Department of Energy $24m. It uses two storage rings as light sources, both fed with bursts of electrons from a short linear accelerator at 70MV through a 600-MV booster synchrotron. It is the largest facility anywhere built eolely as a source of synchrotron radiation.

One of its storage rings is producing peak energies of up to 800 MV in the ultraviolet range, first operated last May. The other, just being commissioned, produces peak energies in tha hard X-ray region, up to 2.5 GeV.

Between them, the two rings have a total of 44 ports from which radiation ranging in wavelength from infrared to hard X-rays can he tapped. With beam-splitters, a total of 100 experiments will eventually be accommodated.

Radiation is tapped through heam tines, radiating like spokes from the accelerator. to carry the light to the experimental station. The industrial sponsors—known as participating research groups—have provided 75 per cent of the beam lines at their own expense. This means industry has provided about 50 per cent of the total cost of the facility. IBM huitt beam lines at the Watson Research Center. It is equipping three ports—two tapping ultraviolet light and one for X-rays.

Jerry Silverman from Watson and Rolf Haelhich, a visiting scientist from West Geramny, produced the first exposures at the lithography beam line using X-rays. The theoretical attraction over other radiation sources for lithography is the very high resolution, coupled with the high intensity of radiation which offers promise for large-volume manufacture.

Other I.B.M. scientists are mounting experiments designed to answer such questions as: How do Schottky barriers form? How do materials react? What is the electronic structure of a silicon surface? What are the limits of the photo-emission process?

In fact, Britain commissioned the world's first large dedicated source of synchrotron radiation at the Science and Engineering Research Council's Daresbury Laboratory in Cheshire. The Synchrotron Radiation Source (SRS) was commissioned in 1980, for an initial outlay of £5.5m.

Dr Leo Hobbis, head of the SERC's science division, estimates the totat cost so far, at current prices, and including about a dozen beam lined paid for by the SERC, et £25m. The SRS has a potential for as many as 50 beam lines, but shortage of cash is restricting the rate at which it can invest and the best he hopes for is about 30 within five years.

So fer there has been nothing like the U.S. level of interest among industrial scientists in Britain, admits Dr Hobbis. This is in spite of a relaxation of government rules, so thet companies need not state too precisely just what experiments they are proposing to do. ICI, BP and Shell formed a research consortium to make a long-term commitment to use the SRS. Dr Hobbis estimates that this brings in no more than about 1 per cent of the £6m a year it costs to run the SRS.

Nevertheless, the capacity of the SRS is heavily over-subscribed hy the U.K. research community at present. Daresbury has been organising seminars—most recently on X-ray lithography—for university researchers in the hope of kindling more interest from joint industry-university projects, accompanied by the cash for extra beam lines to develop the full capacity of SRS more rapidly.

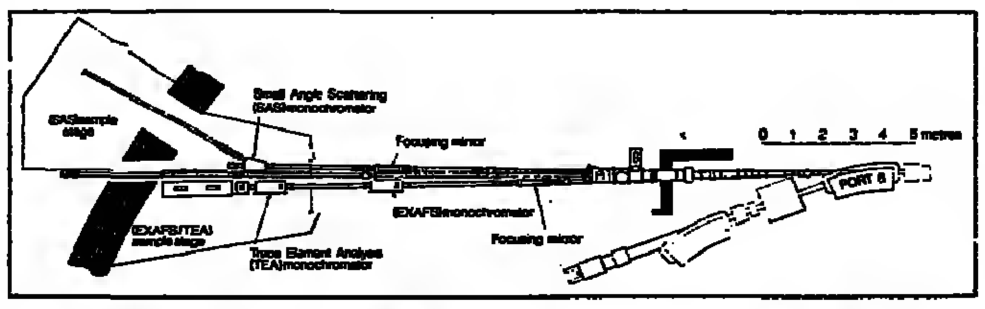
The possibilities are very far-reaching. They include X-ray microscopy at intensities well beyond any available in laboratories today, to provide fresh insight into chemical reactions at surfaces, for example, on catalysts or semiconducting materials.

Another is a potentially fast and cheap way of making heart scans without the unpleasant side-effects thet accompany angiography at present. The idea is to introduce iodine into the bloodstream, then flood the heart briefly with an intense monochromatic X-ray beam. In this way a heart scan lasting only four seconds can clearly reveal the entire pattern of coronary blood vessels.

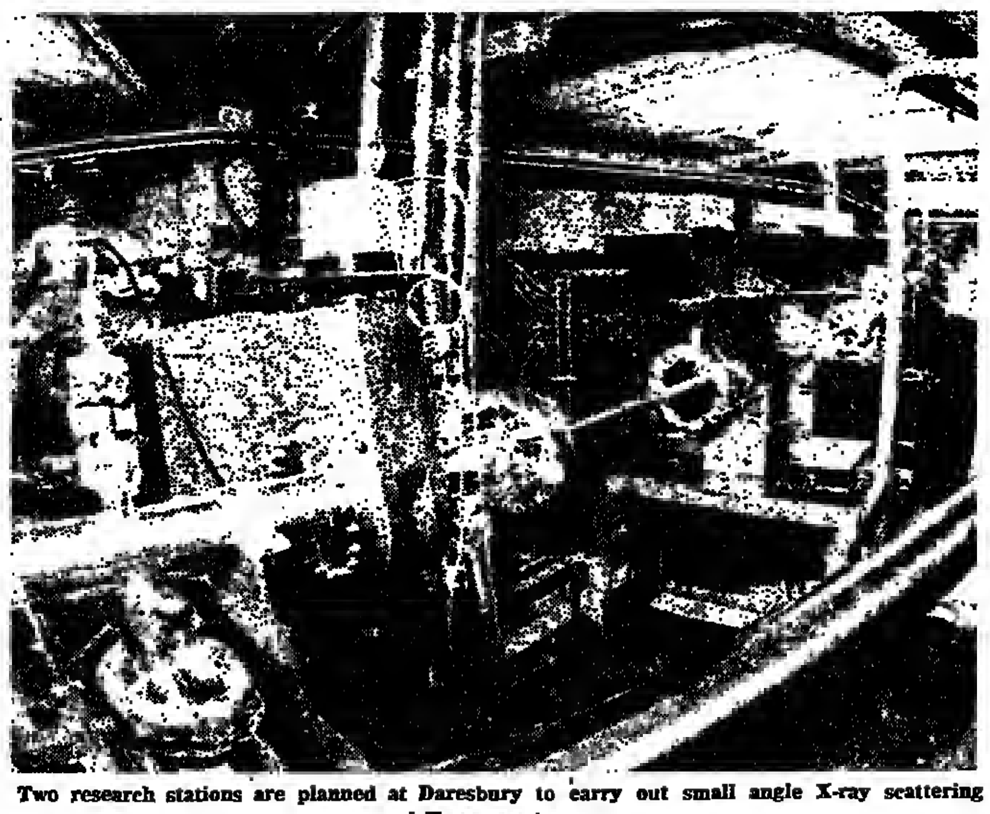
In Britain, the Medical Research Council and SERC are collaboreting to build a jointly-funded laboratory at Daresbury, which will use synchrotron rays for biological and bio-medical research.

One major effort of the laboratory — costing over £400,000 to build and equip — would be protein crystallography using X-rays of an intensity that would reduce exposures from days to only minutes, said Dr Jerry Thompson, in charge of the SRS. It not only speeded the research but meant tess radiation damage to biological materials, he said.

Stimulated by U.S. and British scientific enthusiasm, sources of synchrotron radiation have begun to proliferate worldwide. Russia has mounted experiments in four centres. Europe has five: the SPS in Britain and also in Germany (2), France and Italy. Japan has its Photon Factory and China is building an 800 MeV fecility at Hefei. European scientists have begun to discuss a European centre, possibly at Daresbury.

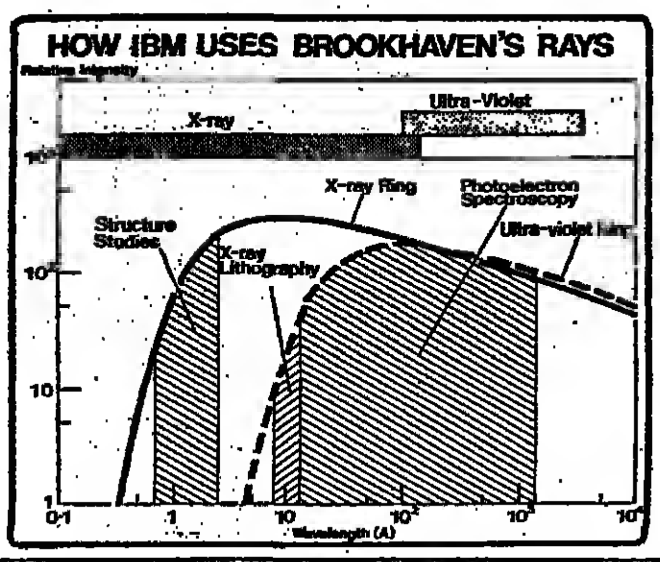


The SRS storage ring along the injector flight path from the booster synchroton



Two research stations are planned at Daresbury to earry out small angle X-ray scattering and X-ray spectroscopy

HOW IBM USES BROOKHAVEN'S RAYS



Valves

Friction free

THE BIFOLD company has introduced a range of sotenoid-operated, friction-free pneumatic valves for explosion-proof control appticattons in the offshore, chemical and petrochemical industries.

The company says that the valves are of dooble-diaphragm design, and are operated by direct acting solenoid actuators. A wida selection of ac and dc voltages are availabte to conform to safety specifications.

Copiers

Toshiba launch

A NEW verston of the Toshiba BD-4511 compact plain copter has been launched by the company. Designated the BD-4515, the machine can carry out image reduction and enlargement. The copter has a liquid crystal disptay control monitor, horizootal paper peth to evoid jams, copying on both stdes of paper. More informetion on this updated machine is available on 0428 54011.

Testing

Ultrasonic probe

A RANGE of single crystal shear wave ultrasonic probes has been introduced by Well-Krautkramer. It has applications in testing welded fabrication such as generating stattous and offshore oil rigs, where accurate and reliable flaw detection is important. More details of the new probes are available on 04626 78151.

Software

Work activities

THE Management Services Unit at East Sussex County Conncil has developed a software package for the study and analysis of work ectivities. The software atmed at computerising work study methods to help local aothorities cut costs cao be run oo the Husky portable microcomputer. Manservant, as the program is called ls availabte through Husky's manofacturer, DVW Microetectronics on 0203 56580.

Meters

Hand-held model

A hand-hetd autoranging capacitance meter, the Model 3002, has beeo tntrodoced by GSC in Saffron Waldon, Essex. The instrument has a 3t/2 digit liquid crystal disptey and measures 193 x 95 x 44mm. It allows direct readings 1pF to 19 999uF. More informalion on 0799 21682.

Tooling

Chuck range

SANDVIK has added to its range of Bilz tooling with a quick-change chuck for drilling, reaming and eonntersinking and a new range of tapping chucks for mechiolog and turning centres and drilling and boring machines.

The ASBA chuck, intended for drilling work on transfer lines and special-purpose mechine tools, incorporates a locking mechanism which snaps open when the tool is removed. When a new toot is loaded and correctly seated the locking mechanism wilt operate automatically.

Sandvik at Manor Way, Halesowen, West Midlands (021-550 4700), will provide full details of the extended range.

Welsh university attempts to teach innovative thinking in the classroom

Robin Reeves reports on an unusual educational experiment

IN A society where commercial success depends upon successful innovation, is it possible to create targe numbers of innovators?

The present education system is geared to providing young people with an accumulation of knowledge and an understanding of strict methodology, rather than to be innovative. They are taught science and engineering in the hope that inventors will simply emerge. Similarly, business subjects are taught in the hope that entrepreneurs will emerge.

There is no systematic attempt to encourage young people to think innovatively. Indeed, many successful business innovations have been hrought about by people with little or no formal qualifications in science, engineering or business studies.

Against this background, the Industry Centre and the Department of Science Edncation of University College, Cardiff, recently ran an experiment in three comprehensive schools in the Welsh industrial valleys to see if it is possible to develop a teaching system which would encourage sixth form studenta to develop innovative abilities.

A large part of the experiment, which was also backed by the Department of Industry and BP, was concerned with the search for "opportunities." The basic premise was that while the inventor and the entrepreneur are liable to be very different characters, both have in common the ability to identify an opportunity or need for a product or service which is not being adequately met by current products or services.

The time allotted to the experiment was limited—about one hour per sixth form group per week in each of the three schools concerned — and it proved to be insufficient. The enthusiasm generated was such that at one school the students gave up part of their summer bolidays to continue the experiment.

The first term was taken up with lectures to illustrate how already successful inventions had been generated, the opportunities and problems facing innovators, the success rate of inventions, patent laws, other forms of intellectual property protection, etc.

The second term included visits to four widely-differing local industries: At Dunlopillo, students were able to see a range of industrial presses and highty automated, as well as labour intensive processes; Amey Roadstone, in the quarrying and roadstone preparation business, gave an insight into a heavy industry; Ready Roasted Chickens provided an example of an entrepreneur building up a business from scratch; and Tesco, the supermarket chain, was chosen to illustrate the end stage of most manufacturing processes by way of the presentation and sale of products to the final customer.

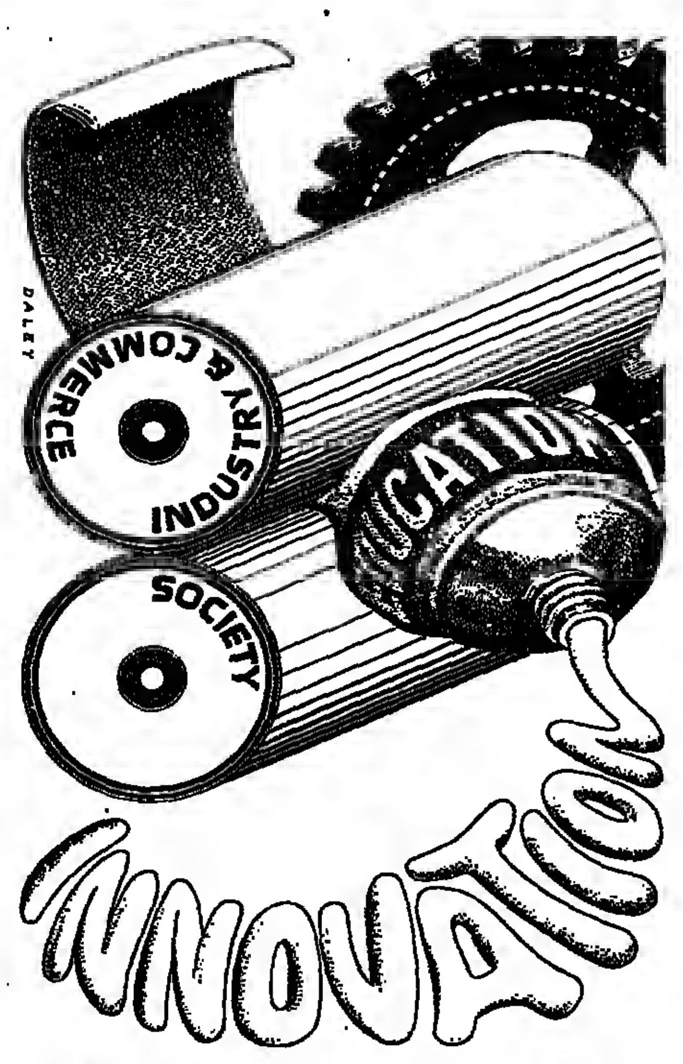
The end of the second and third term were devoted to "brainstorming" sessions to develop the students' faculty for identifying unfulfilled needs and producing solutions to the problems identified.

The sessions were structured into four stages. The first was encouraging an open mind by emphasising that there is no single answer to a problem. Significantly, this turned out to be easier with students than with many industrialists and academics, who have often spent time on one single-minded approach to an answer and are not prepared to accept that there is perbaps a better alternative.

The second stage was encouraging group co-operation. Again this proved easier than expected. In an industrial or academic group there is unusually a hierarchy and it is difficult to get participants to work as equals. Departmental differences emerge. There can also be an unwillingness to pool ideas in a group, in case the proposer loses credit for the idea.

The third and fourth stages were developing and exploring the ideas which emerged. The idea sessions were run with a leader and recorder. The participants produced ideas and identified avenues or categories of ideas, which were all recorded, following five basic rules. That:

- no idea, no matter how wild, was discarded;
- criticism was not allowed, only suggested improvements;
- different ideas were combined to try to find new ones;
- the bigger the quantity of ideas, the better. The quality was decided later;
- spin-off ideas were encouraged.



A second meeting within two weeks gave participants the chance to generate further solutions after pondering on their ideas.

As it turned out, there was certainly no shortage of ideas. Literally dozens were generated. Many were not necessarily new, realistic or practicable. Others were intriguing and/or worthy of further exploration. Most important, the experiment awoke in the students the idea of looking at their environment through the eyes of an innovator.

Among the "needs" or innovations which the Aberdare Boys Comprehensive gronp chose to explore in detail were for a new door mechanism; an alternative to glue or a container which would prevent glue sniffing; a new kind of bottletop; a windscreen wiper using a different principle from a rubber scraper; and an improved cattlegrid.

One of the Mountain Ash Comprehensive group's proposed "needs" was for a new type of toothpaste container which would allow all the toothpaste to be extracted. Amoog the solutions put forward were a container with two openings; single shots of toothpaste packaged in throwaway plastic capsules; toothpaste in an icing bag; a plunge dispenser, aerosol; or the exisitng tube in a specially designed squeezer.

Another idea was for a better lightswitch, on the grounds that present types are "boring and unimaginative." Among new designs suggested were voice-activated switches, ones worked by sensor touch, or remote control, or were illuminated in the dark. From this stemmed ideas for an upstairs or downstairs console to control all the lights in the house and a pressure pad or circuit breaker which would switch the light on or off automatically when you walked through the door.

Some innovative thinking was stimulated during visits to local companies by the current problems facing their managemeot. Amey Roadstone suggested there might be a better method of keeping road bitumen warm and new uses for large blocks of stone from its quarry. Answers to the first problem ranged from a vacuum flask-type container, to a pipe connecting the containers to a vehicle's radiator system, and a solar panel which heated water around the bitumen container. For the second question, the students came up with sculptured seating for picnic sites, playground artefacts, and even stone coffins.

The Dunlopillo visit stimulated ideas for new uses for foam rubber—gym mats, letter boxes, dart boards, flasks to keep drinks warm, and pipe insulation were among the students' suggestions. Proposals also emerged for a simpler storage system in the factory and for utilising foam crumbs and other waste material, and waste heat.

Tesco had the students designing a new kind of shopping trolley, thinking about the logistics of stock rotation and the problems of selling goods on the first floor, away from the main shopping area. Novel ideas included the provision of inter-floor rotating shelves which would be filled at first floor level, and conveyors to carry both goods and customers around the store, powered by the River Cynon, flowing between the store and its car park.

Roasted Ready Chicken encouraged the students to dream up new chicken-based food products to give the company greater product diversity.

The students also applied their minds in an innovative fashion to the National Coal Board's nearby Phurnacite smokeless fuel plant. Apart from being a major source of local pollution, the plant also discharges large quantities of waste heat. Could this waste heat be used to advantage in the valley?

The students catalogued a large range of potential uses for the waste heat from fish farming and greenhouses to a saw mill and swimming pool and sauna. This led on to ideas for a freezer plant and wholesale centre for marketing the fish and vegetables produced.

Clive Jones, head of the University College Industry Centre, was the first to stress that it had been a first experiment only. A major disappointment was a lack of response from the girls' school, though he stressed that it would be quite wrong to draw general conclusions about the ability of girls to become innovators from this one experiment.

It also emerged that the time available for the sessions was too short; the teachers responsible for the course needed to be better briefed at the outset; and future courses would need to involve craft teachers at an early stage in order to help build prototypes.

The experiment also showed that the lectures need to be spread throughout the schools' other activities. Cardiff now plans to extend the experiment, provided funds to finance it can be found.

Employment policy

Square pegs for square holes

NORMAN CLARE, managing director of E. A. Clare and Son, an old-established Liverpool billiards table maker, is rarely short of a horror story about school-leavers looking for jobs. Poor standards of numeracy worry him most.

To test for a grasp of simple geometric and arithmetic concepts among would-be apprentice carpenters, he asks questions like this at interviews: "Suppose the foreman asks you to make a four-foot square wooden frame. How much wood would you get from the stores?"

Lads who become apprentices cope easily, but Clare has had many applicants who could not, a situation he has complained about at Merseyside Chamber of Commerce.

Clare knows exactly what he is looking for in a young employee, but much of the rest of industry is rather more vague, as was revealed in a Manpower Services Commission survey late last year.

This showed that apart from basic levels of literacy and numeracy, most employers are hoping to find rather more general, less well-defined social skills, such as the ability to deal with people. They also want young people to be able to solve general problems, put jobs in an order of priority, work alone, and work under pressure. These qualities were thought lacking among most school-leavers.

Merseyside Chamber of Commerce has just published an employers' handbook that may well make many companies ponder whether such expectations are too high.

The handbook is aimed at medium-sized or small companies without personnel managers to take care of such things, so it should prove valuable at the sharp end of day-to-day management. But it also raises issues for all employers to consider.

For example, it warns: "There will be a growing temptation to call for interview only those with high academic qualifications. If the person employed is too highly qualified, he or she will soon become disenchanted and this will spread to other employees."

Significantly, the MSC survey revealed that most employers are going to fall into this trap, rejecting virtually everyone without good GCE "O" levels, which means over half the school population.

The handbook suggests that it is better first to define a job properly, which by implication some companies must not be doing, and then find the most suitable candidate, rather than the one with the best academic qualifications, which is often not the same thing.

Also contrary to many employers' current practice is the handbook's encouragement of a "softly, softly" approach to interviewing — the MSC survey revealed dissatisfaction with young people at interviews, both as regards dress and being able to answer only "yes" or "no" to questions; in other words, employers acting in what is, in effect, a buyer's market expect to be sold to, and are irked when they are not. But are such expectations realistic?

Young people, the handbook says, are rarely interviewed by someone in authority, unless for suspected wrongdoing. Most are totally unaccustomed to airing their views or even answering questions. The employer must practise encouraging the interviewee to develop ideas.

The importance of examinations is not overlooked, and there is an excellent guide to academic qualifications and tests of aptitude, as well as comparability of various certificates.

Ability to work is probably what most employers are looking for more than anything else and, theoretically, the recession should be providing an unrivalled opportunity for them to pick and choose. However, the recruitment of young people probably now requires greater sensitivity than ever before if industry is not to find itself with too many highly qualified misfits in a few years' time.

The question is worth managers thinking about, no matter how pressed with the daily struggle to survive. People may be willing to contort themselves into all sorts of shapes just to get work and keep it at present, but can that last for ever? In the long run, square pegs will need square holes and vice versa, just as Clare and his craftsmen need to know how much wood is needed for a billiards table.

The Young Employee—A Handbook for Employers. Merseyside Chamber of Commerce, 1 Old Hall Street, Liverpool, L69, £10 to non-members.

Ian Hamilton Fazey

COMPANY NOTICES

ENGELS-HOLLANDSE BELEGGINGS TRUST N.V.
(English and Dutch Investment Trust)
Established in Amsterdam

PARTICIPATION CERTIFICATES (ISSUED BY ROYAL EXCHANGE ASSURANCE)

NOTICE IS HEREBY GIVEN that a Gross Dividend on the Participation Certificates of Fls. 4.78 (Four florins and seventy cents) will be payable in sterling on or after 5th April 1983 against presentation of Coupon No. 33.

The dividend will be payable as follows, subject to the provision of the appropriate Netherlands Tax Affidavit where necessary:

to Certificate Holders who are subject to United Kingdom Income Tax less 15 per cent Netherlands Withholding Tax, and United Kingdom Income Tax at 15 per cent on the Gross Dividend.

to residents of other countries with which the Netherlands have concluded Tax Agreements, under deduction of 15 per cent Netherlands Withholding Tax

to residents of all other countries, less 25 per cent Netherlands Withholding Tax.

Certificate Holders resident outside the United Kingdom will receive payment less United Kingdom Income Tax at the rate of 30 per cent on the net amount unless the coupons are accompanied by a United Kingdom Affidavit of non-residence. The afore-mentioned rates of tax apply only in respect of coupons presented for payment up to and including 30th September 1983. Thereafter Netherlands Withholding Tax will be deducted at the rate of 25 per cent and the United Kingdom Income Tax, where applicable, at the rate of 30 per cent from the net sterling amount. References to United Kingdom Income Tax at 15 per cent and 30 per cent are subject to the rates ruling on 5th April 1983.

For the period 5th April 1983 to 30th September 1983 the dividend will be paid in sterling at the rate of exchange ruling on the day of presentation of the coupons. Coupons presented thereafter will be paid in sterling at the rate of exchange ruling on the third day of October 1983.

To obtain payment, Coupons No. 33 must be presented at the office of Hill Samuel and Co. Limited, 45 Beech Street, London EC2P 2LX. Coupons must be listed on special forms obtainable from Hill Samuel and Co. Limited, and must be left three clear days for examination. Coupons will not be accepted through the post.

ROYAL EXCHANGE ASSURANCE
Royal Exchange,
London EC2R 8HN.

RENOWN INCORPORATED

NOTICE TO MEMBERS OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 38th Ordinary General Meeting of Shareholders of the Company will be held on Wednesday, 30th March, 1983, at 10 am at the Hall, 5th Floor, head office of the Company at 34-18 Jingumae, 2 Chome Shibuya-Ku, Tokyo.

PURPOSES OF MEETING

Matters to be reported:—Report on Balance Sheets as of 31st December 1982, the Business Report and the Income Statement for the 38th Business Term (from 1st January 1982 to 31st December 1982).

Matters to be resolved:—

1) Approval of Proposal for appropriation of profits for the 38th Business Term.
2) Change of a part of the Articles of Incorporation.
3) Election of 30 Directors at expiration of Term of Office of all 28 Directors.
4) Election of 3 Statutory Auditors at the expiration of term of office of all 2 Statutory Auditors.
5) Election of independent public accountants.
6) Presentation of condolence money to deceased Chairman of the Board of Directors, Mr. Yasuo Ito, and deceased Executive Vice President and Director Mr. Yasuhide Kashitani, and retirement gratuity to retiring Directors.

NOTE: The following notice appears in accordance with the Listing Agreement 10 (C) of the Company "There is not any service contract granted by the Company or any subsidiary of the Company, to any Director or proposed Director of the Company not expiring or determinable within 1 year by the employing Company without payment compensation (other than statutory compensation)."

ROBERT FLEMING & CO. LIMITED
8 Crosby Square,
London EC3A 6AN
25th March, 1983

LONRHO INTERNATIONAL FINANCE N.V.

U.S.$ 12 PER CENT BONDS 1988
Guaranteed by
LONRHO PUBLIC LIMITED COMPANY

NOTICE IS HEREBY GIVEN to Bondholders that copies of the Annual Report and Accounts of Lonrho International Finance N.V. and of Lonrho Public Limited Company are available from Lonrho Public Limited Company, Cheapside House, 138, Cheapside, London EC2V 6BL.

NEW KLEINFONTEIN PROPERTIES LIMITED
(Incorporated with limited liability in the Republic of South Africa)

NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER PAYMENT OF COUPON NO. 78

With reference to the notice of declaration of dividend advertised in the press on 11 February 1983, holders of Share Warrants to Bearer are informed that payment of Dividend No. 78 will be made in United Kingdom Currency, on and after 11 April 1983, after surrender of coupon No. 78 as follows:

	Per Share Pence
Dividend declared in South African Currency 5 cents per share, equivalent in United Kingdom Currency on 21 March 1983 at R1.623838 = £1 to:	3.07909
South African Non-Resident Shareholders' Tax at 15%	0.46186
	2.61723
United Kingdom Income Tax at 15% (see note) on the Gross amount of the dividend	0.46186
Net Amount	2.15537

Coupons may be lodged at the following offices from which listing Forms may be obtained:

LONDON
The London Office of the Company,
20 Southampton Place,
London WC1A 2BQ.

PARIS
The office of the Company's Paris Agents,
Credit du Nord,
6 8 Boulevard Haussmann,
Paris, 75009

All coupons lodged with the Paris agents and those lodged at the London Office accompanied by Inland Revenue declarations will be paid at the rate of 2.61723 pence per share.

Coupons lodged must be left FOUR CLEAR DAYS for examination.

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25 March 1983.

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THE ARTS

Music

ZURICH

Tonhalle: Rudolf Buchbinder, piano. Schubert and Beethoven (Tue); Tonhalle Orchestra and Gemischter Choir conducted by Raeto Tschupp. Brahms German Requiem (Thur, 8.15pm and Fri, 4pm).

VIENNA

Musikverein (658190): Alfred Brendel, piano. Beethoven sonatas (Mon).
Konzerthaus (721211): Concertgebouworchester Amsterdam, conductor Nicolaus Harnoncourt. Bach's St Matthew Passion (Tue and Wed).

LONDON

London Philharmonic Orchestra conducted by Klaus Tennstedt with Lucia Popp, soprano and David Geringas, cello. Strauss. Royal Festival Hall (Mon) (928 3191).
London Symphony Orchestra and chorus conducted by Claudio Abbado, Edward Downes and James Judd with Shirley Verrett, mezzo-soprano. Stockhausen's Gruppen and Brahms Alto Rhapsody and St. Anthony Variations. Barbican Hall (Tue, 6.30pm; Thur, 7.15pm) (638 8891).
City of Birmingham Symphony Orchestra conducted by Neeme Jarvi with Shura Cherkassky, piano. Mendelssohn, Saint-Saens and Strauss. Royal Festival Hall (Tue).
Academy of Ancient Music directed by Christopher Hogwood with soloists including Emma Kirkby, soprano. Handel's Messiah. Royal Festival Hall (Wed).
LSO Brass Ensemble conducted by Edward Downes. George Lloyd and Gabrieli. Barbican Hall (Wed).
Alfred Brendel, piano. Beethoven sonata cycle. Queen Elizabeth Hall (Wed) (928 3191).
London Philharmonic Orchestra conducted by Klaus Tennstedt. Mahler 6. Royal Festival Hall (Thur).
London Soloists Chamber Orchestra conducted by David Josefowitz with Raphael Wallfisch, cello. Haydn and Tchaikovsky. Queen Elizabeth Hall (Thur).
Ronnie Scott's Frith Street: Trumpeter Freddie Hubbard and his quintet.


Karlheinz Stockhausen's Gruppen at Barbican Hall, London

NEW YORK

New York Philharmonic Rafael Kubelik conducting with Richard Brunner tenor, Richard Cassilly tenor, John Cheek bass. Janacek: From the House of the Dead, U.S. premiere in new translation by Yvetak Synek Graff and Robert T. Jones (Tue); Zubin Mehta conducting. Wagner, Bruckner (Thur) Avery Fisher Hall (874 2424)
Carnegie Hall Krystian Zimerman piano. Brahms, Szymanowski, Chopin (Wed); Emanuel Ax piano, Yo Yo Ma, Duo performance of Beethoven & Brahms (247 7459).

WASHINGTON

National Symphony Mstislav Rostropovich conducting. Barber, Prokofiev, Tchaikovsky (Tue); Wagner, Prokofiev, Barber, Moussorgsky/Ravel (Wed mat); Barber, Prokofiev, Shostakovich (Thur). Concert Hall, Kennedy Center (254 3776)

CHICAGO

Chicago Symphony: Sir Georg Solti conducting Mozart, Bartok (Thur). Orchestra Hall (435 8122).

PARIS

Renata Scotto Recital (Mon) Theatre de L'Athenee (742 6727).
Nouvel Orchestre Philharmonique with Jacques Vandeville, oboe: Krommer (Tue) Salle Gaveau (563 2030).
Peter Frankl Recital: Mozart, Brahms, Chopin, Schumann (Tue) Theatre des Champs Elysees (723 4777).
Radio France – Orchestre National de France conducted by Michel Plasson. Deszo Ranki, piano: Andre Bon, Schumann, Moussorgsky-Ravel (Wed) Theatre des Champs Elysees.
Orchestre National de Lille conducted by Jean-Claude Casadesus. Philippe Biangoni, piano: Weber, Schumann, Casadesus, de Falla (Thur) Theatre des Champs Elysees.


Nick Nolte (left) and Eddie Murphy in '48 Hours': a live wire twosome

Cinema/Nigel Andrews

High voltage heroism

48 Hours
Table for Five
Aspern
Let's Spend the Night Together

We live in an age of wildly crossbreeding film styles, when Westerns set in Space *(Outland)* or Gothic musicals *(Rocky Horror)* or *film noir* comedies *(Dead Men Don't Wear Plaid)* ping forth regularly from the Hollywood brain-tank at the drop of o "Eureka!" Somewhere in Sunset Boulevard there's a giant, all-wise fruit-machine ceaselessly purring its permutations, as moguls line up to pull the *handle* and await the box office jackpot.

In *48 Hours* writer-director Walter Hill (of *Warriors* and *Southern Comfort*) has pulled the handle and produced an odd triad of symbols: o police-badge next to a civil rights sticker next to o pop band, as 'twere. For as crossbreed genres go this is a disco crime-thriller, with racial tension trimmings.

Gruff-voiced, mucho macho San Francisco police detective Nick Nolte (has he been to the David Janssen school of laryngitis and law enforcement?) sees a colleague shot dead in a gunfight with two hoodlums. The h's promptly escape into the darkness and fog of Chinatown. Hoping to run them down, retrieve his reputation and retain his badge, Nolte springs an old crony of the criminals (Eddie Murphy) from jail for the eponymous 48 hours; and the chase is on as the black Mr M, o cock-a-hoop young conperson with Giorgio Armani suit and walltowall grin, helps sorethroat Nolte nail the nefarious ones. (Murphy's interest is a bog of swag to which he has proprietary claim.

Only one climactic scene actually detonates in a discotheque. But *the whole film*, like a higher-speed version of Hill's earlier *film noir* on a hot tin roof, *Driver*, is a stroboscopic witches' sabbath of sound and light. The orchestra only has to catch e whiff of e *new chase scene for the brass* and tympany sections to go into thunderous overdrive.

Somewhere amid all this sense shelling din and decor is some human interest trying to get out. And amazingly enough it does. Hill has here obandoned the Bressonian restraints of *Driver's* characterisation, where amid razzmatazz oction and seenery Isabelle Adjani as "The Girl" and Ryan O'Neal as "The Driver" talked in gnomic apothegms as if testing out each other's English-as-she-is-spoke phrasebooks. Nolte and Murphy are a livewire twosome plugged into high voltage obscenities and a rich *ostinato* of Chandleresque throwaways. ("That's Harry Wang," says Murphy, looking at o corpse photo; "He's looked better.")

Like the film itself, our two heroes live the pace thet kills. And among the healthy side-effects of Hill's never stopping for breath is that the screenplay never stops for "You black man, I white man, we must reach dialectical synthesis" platitudes. Racial tensions are a cheerful, credible irritant between the two men that always resolves itself—give or take a fight or shouting match—and that ultimately advertises the equality of red-hot improvised professionalism in the pursuit of justice. As an explosion of dramatic and kinetic energy, *48 Hours* makes the average episode of *Starsky and Hutch* seem like a below average episode of *Stars on Sunday*.

*

If you had three children called Truman-Paul, Tilde ond Trung, wouldn't *you* consider thot you had problems? Jon *Voight plays worried of Malibu* in *Table For Five*; a divorced and fortyish fother who tries to make up for a poor porenthood record by taking the children on a luxury ocean cruise. Little Truman-Paul, it turns out, is *dyslexic and has* nightmares; Tilde (female) is jealous of all young women who float Voight's way; and Trung (adopted) is a Vietnamese delinquent. Midway across the ocean the ship's telephone crackles news of Mama's death in a cor crash, and Moma's hubby Richard Crenna announces that he will rendezvous with them in a Mediterranean port and toke the children back.

This is an offer, you would suppose, that no sane caretaker of these infants would refuse. But Voight is beginning to love them, dyslexia, deliquency and all. He waivers briefly, brokenly by the Sphinx, overcome—as who not?—by its sandbitten eternity. But the comfort of a shipboard romance with the non-sandbitten Marie-Christine Barrault reinforces his mettle. The fight is on to custodise the kids.

This is Kramer vs Kramer boldly mounted in plain view by *Author Author*, and the spectacle is enough to frighten the camels. But the problem with weepie movies—and this one had sniffles rending the Press Show—is that a critic can fully retain all his mental faculties for 120 minutes but still find himself reaching for disposable tissues at moments of high humidity.

The film is pure *hit-and-run* sentimentality, perpetrated with scant visual distinction by director Robert Lieberman or verbal by writer Dovid Seltzer. But Voight's performance is the key freshening element — he bobs about like a buoy, shadow-boxes with his own thoughts and responses, lets loose a crinkly grin now and again like a gleaming arrow—and under *cover of this near-to-human* zephyr the shameless heart-tug contrivances blow in ond as often as not get you.

*

Aspern, made with high dry tone in present-day Lisbon by *Eduardo de Gregorio*, could have used some of this shamelessness. Henry James's novella of literary heirlooms, sleuthing collectors, and Venice-dwelling *grondes dames* is one of literature's great wild (or elegantly stuffed) goose chases. But de Gregorio, modernising and Portugalising it, has opened the windows end blown away all the magic dust and the cryptic, beautiful, Borges-prefiguring claustrophobia.

Alida Valli exhibits censorious grace and alarming teeth as the old lady: Jean Sorel handsomely but somewhat absently inhabits the hero; and Bulle Ogier assumes her wide-eyed Ophelia persona as the go-betweening niece. The original story itself, if sooth be said, was much ado obout nothing very momentous. But at least it was much ado. Gregorio's film isn't even that:

*

Finally, and deafeningly, *Let's All Spend The Night Together*. Is this a Jagger which I see before me? The unageing pop demon and his fellow Stones occupy the stage for a blitz-krieging 90 minutes in Hal Ashby's wide-screen, 24-track, all-colour screen record of the group's finest moments from their 1981 American tour. "Satisfaction," "You Can't Always Get What You Want," "*Time Is On My Side*," "*Honky Tonk Woman*," and the rest. The film is full-blast, unrelenting, and sometimes like being Stoned to death. But the marvel is Jagger, strutting and stomping and hair-tossing ond peacocking as electrifying as ever. At 40-plus and in the post-meridian of Punk, he's still British rock music's greatest living force of Nature.


Hit-and-run sentimentality: a scene from 'Table For Five'

Opera and Ballet

WEST GERMANY

Berlin Deutsche Oper: A new production of Die Lustigen Weiber von Windsor with Alfred Kuhn as Sir John Falstaff and Norma Sharp as Frau Fluth. Idomeneo, with a cast headed by Edda Moser, was revived triumphantly. La Boheme conducted by Gianfranco Masini, has Ilona Tokody and Barry McDaniel in the main parts (34 381).
Hamburg Staatsoper: Acclaim for Don Carlos with star cast Nicola Martinucci in the title role. Jelena Obraszowa and Ruggero Raimondi as Philip the Second was unparalleled. Also, this week, Hoffmanns Erzählungen with Neil Schicoff in the title role as well as Ariadne auf Naxos with Marjana Lipovsek and Dieter Weller. Zemlinsky's Kreidekreis is produced by Herbert Wernike and has Beatrice Niehoff and Guillermo Sarabia in the main roles. Zar und Zimmermann completes the week (351 151).
Cologne Opera: Parsifal, produced by Jean Pierre Ponnelle, has Peter Lindroos in the title role and Waltraud Meier, famous for her rendition of this part in Bayreuth, as Kundry. Also Don Pasquale and Der Barbier von Sevilla (20 761).
Frankfurt Opera: Madame Butterfly with Akiko Kuroda in the title role, has Seppro Ruohonen giving o fine delivery in the part of Pinkerton. Ariadne auf Naxos benefits from an outstanding performance of Agnes Baltsa. Also Cav and Pag and Gluck's Alkestis. (25 621).
Stuttgart Württembergisches Staatstheater: Zar und Zimmermann featuring Maria Husmann and Arend Baumann (20 321).
Munich Bayerische Staatsoper: Das Liebesverbot, a Jean-Pierre Ponnelle production; Parsifal with Peter Hofmann; Werner Egk's Peer Gynt, produced by Kurt Horres; La Boheme, sung in Italian; La Cenerentola with Francisco Araiza and Susan Daniel (21 651).

LONDON

Royal Opera, Covent Garden: Don Carlos in the famous, now decaying 1958 Visconti production is given for the first time in the original French. The cast includes Peyo Garazzi and Thomas Allen and the conductor is Bernard Haitink. Die Zauberflöte, in August Everding's jokey staging, has e cast of leading Mozartians (Burrows), Popp, Prey) conducted by Colin Davis (240 1066).
English National Opera, Coliseum: Dvorak's Rusalka, not seen in London for many years, returns in a revival by the controversial ENO team of David Pountney (producer) and Mark Elder (conductor). Rossini's Cinderella, led by the scintillating Della Jones, completes its current run. Verdi's Force of Destiny, one of the company's most successful and thoughtful efforts, is led by the Leonora of the wonderful Josephine Barstow (836 3161).
Royal Opera House, Covent Garden: A triple bill on Tuesday consists of La Bayadere, La Fin du Jour and The Prodigal Son.

PARIS

Maurice Bejart and his XXth century ballet conducted by Sylvain Cambreling: Stravinsky's "L'histoire du Soldat" – TMP-Chatelet (261 1983).

VIENNA

Staatsoper (5324/2655): Die Entführung aus dem Serail, Salome, Rigoletto, Parsifal.
Volksoper (5324/2657): Der Graf von Luxemburg, Das Feuerwerk, Die Entführung aus dem Serail.

NEW YORK

Metropolitan Opera: James Levine conducts the last seasonal performance of Don Carlo with Placido Domingo in a week that also includes performances of Fabrizio Melano's production of Madame Butterfly conducted by Eugene Kohn, with Il trovatore, Die Walküre and Il Barbiere di Siviglia. Opera House Lincoln Center (580 9830).
Hamburg Ballet: Company director John Neumeier completes the season with his choreography of Bach's Saint Matthew Passion. Brooklyn Academy of Music. 30 Lafayette Av (636 4100).
Pilar Rioja: Internationally known flamenco dancer performs to the music of Bach, Corelli, Albinoni, Bocherini and the poems of Garcia Lorca. Gramercy Arts, 138 E. 23rd (889 2850).

WASHINGTON

A Bride from Pluto: Gian Carlo Menotti's opera which premiered a year ago to celebrate the Kennedy Center's 10th anniversary, becomes this year's keystone of an "Imagination Celebration." The itinerant programme for children goes from here to Tucson, Milwaukee and Seattle with the Menotti opera a giant puppet version of Peter Rabbit and a play about boxer Joe Louis. Terrace, Kennedy Center (254 9895).

Arts Week

F	S	Su	M	Tu	W	Th
25	26	27	28	29	30	31

Theatre

LONDON

A Map of the World (Lyttelton): Brilliant new play by David Hare, set in o luxury Bombay hotel where a Unesco conference on world poverty has been convened. Chill, meticulous production by the author has strong performances from Roshan Seth (Nehru in the film Gandhi) as an Indian novelist, Bill Nighy as a journalist and Diana Quick as the actress in the middle of an ideological showdown. (928 2252).
Other Places (Cottesloe): Triple bill of Harold Pinter plays superbly directed by Peter Hall. Pinter breaks new ground in *A Kind of Alaska*, Judi Dench outstanding as a woman coming out of coma after 29 years and accelerating from small girl to adult *maturity* in half an hour. (928 2252).
The Pirates of Penzance (Drury Lane): Riotously vulgar Broadway import that sits Gilbert and Sullivan on a whoopee cushion. One or two brilliant set pieces, but is all this strenuously arthritic camping about really preferable to the prim stasis of the D'Oyly Carte tradition? (836 8108)
84 Charing Cross Road (Ambassadors): Moving, unspectacular account of the love affair by correspondence between a New York Anglophile, Helene Hanff, and the owner of a West End bookshop. (836 1171)
Guys and Dolls (Olivier). A first-class *revival of this witty musical happily* laid out on the open stage, with o good selection of the acting talents of the National Theatre and some unlooked-for singing talents as well. (928 2252)

NEW YORK

Agnes of God (Music Box): The fiery trio of Elizabeth Ashley, Geraldine Page and Amanda Plummer enliven o somewhat over-written clash of ideologies. (246 4636)
Joseph and the Amazing Technicolor Dreamcoat (Royale): The first work by Andrew Lloyd-Webber and Tim Rice in a lively and imaginative rendition directed by Tony Tanner. (245 5760)
Geniuses (Fairbanks): Author Jonathan Reynolds takes advantage of a stint watching Francis Ford Coppola shooting Apocalypse Now to parody the American film industry in this riotous re-creation of a jungle film set awaiting the end of o seasonal typhoon. (432 W. 42nd). (279 4200)
Nine (46th St): Two dozen women surround Raul Julia in this Tony-award winning musical version of the Fellini film 8½, which like the original celebrates creativity, here as e series of Tommy Tune's exciting scenes. (246 0246)
Plenty (Plymouth): Moving on to Broadway from its Public Theatre opening, Kate Nelligan stars again in the New York production of the play written and directed by David Hare about Europe's transition from war to peace over the last generation. (239 6200)
Cats (Winter Garden): Director Trevor Nunn, fresh from the Broadway success of Nicholas Nickleby, has his imaginative and frisky cats slink, slide and dance their way across a transfigured stage in this lavish re-creation of the London hit. (239 6262)
Top Girls (Public): After the Royal Court production enjoyed a short sold-out run, Caryl Churchill's ruminations on ambition and women reopens with e local cast including film actresses Linda Hunt, Kathryn Grody and Sara Botsford, again directed by Max Stafford Clark. (598 7100)
Extremities (West Side Arts, 43rd W. of 9th Av.): The realistic portrayal of sadistic rape, with which the play opens, makes for uncomfortable but rich drama, and author William Mastrosimone manages to maintain high energy levels to challenge an excellent cast led by Susan Sarandon and James Russo. (541 8394)
Marcel Marceau (Belasco): If anyone can cheer up Broadway's sagging season it should be France's favourite silent clown. (239 6200)
Angels Fall (Longacre): Lanford Wilson's ponderous and pretentious ruminations on life after a nuclear accident transfers boldly to Broadway after o decidely lukewarm reception at the Circle Rep. (239 6200)

WASHINGTON

Screenplay (Arena): A circus setting is used by director Zelda Fichandler to present Istvan Orkeny's last play, which creates its own show trials for a fictitious Hungarian politican recalled from his ambassadorship in Paris to witness the testimony prepared against him. (254 9895)
Show Boat (Opera House, Kennedy Center): A cast of 50 from the Houston Opera company led by Donald O'Connor revives the Kern-Hammerstein musical of 1927 with its brilliant score including songs Ol' Man River, Bill and Make Believe. (254 3770)
The Imaginary Invalid (Arena Stage): Guthrie Theatre's associate artistic director Garland Wright presents Argan and company with Marc Antoine Charpentier's original music for Moliere's masterpiece about quackery and hypochondria in the ancien régime. (488 3300)
The Iceman Cometh (Eisenhower, Kennedy Center): Jason Robarts retakes the role of Hickey and Jose Quintero's direction for this O'Neill revival of bar-room reflections throught the bottom of the mug. (254 3670)
Make and Break (Eisenhower): Michael Frayn's zany tragicomedy of contemporary salesmanship writ large at convention time gets its American premiere with telly star Peter Falk in the Leonard Rossiter role, directed as in London by Michael Blakemore. (254 3670).

CHICAGO

Duet for One (North Light Rep, 2300 Green Bay, Evanston): Tom Kempinski's slightly veiled story of the painful and frustrating accommodation of e concert artist to growing debility stars Eva Marie Saint. (869 7278)
E. R. (Organic, 3319 N. Clark): This hit-and-miss local company has a long-running success with an earnest parody of hospital-based melodramas, starring Gary Houston as an ambitious young doctor, Shuko Akune as the receptionist and Lily Monkus as the authoritarian nurse. (327 5588)

VIENNA

Vienna's English Theatre (421 260): Arsenic and Old Lace (daily except Sun)
Theater an der Wien (579 632): Anatevka (daily except Mon)

Exhibitions

PARIS

Giorgio di Chirico: Beaubourg is showing some 100 paintings and 40 drawings by De Chirico, including the most important ensemble of his metaphysical work ever. Centre Georges Pompidou, Grande Galerie, 5th floor. (277 1112). Closed Tue. Ends April 25
Sèvres From 1850 To Our Day: A panorama of the Sèvres production from the Second Empire creations to contemporary abstract designs with – at its centre – an enchanting ensemble of monumental belle epoque vases in pastel colours. Louvre des Antiquaires, 2 Place Palais Royal, 11am – 7pm. Closed Mon. Ends April 10.

HOLLAND

Rijksmuseum van Oudheden, Leiden: Egyptian hieroglyphics on papyrus up to 4,000 years old. Ends April 4.
Diplomatic Relations between the Netherlands and the U.S. are celebrated in From New Amsterdam to New York, a collection of letters, paintings, diaries and photographs reflecting life in early New York. Amsterdam Historisch Museum. Ends April 4.
Dutch contemporary artists, selected by Albert Waalkens. Museum Boymans van Beuningen, Rotterdam. Ends April 4.

LONDON

Hayward Gallery: Landscape in Britain 1850-1950. A lucky-dip of an exhibition rather than o close scholarly exercise, but none the less enjoyable for that. The good things are there to be discovered among the interestingly moderate and even sometimes rather awful greater part; and if some of the great names are not too well represented, Whistler and Sickert for example, enough of the more obscure are all the more in evidence, and on their very best behaviours, from minor pre-Raphaelites to fifties expressionists. Ends April 17.
The Barbican Gallery: Rodin and his Contemporaries – the great formative genius of modern sculpture seeo for once not in isolation, but in his true and proper context, his work itself conditioned by the romantic mid-century tradition, and reflecting the achievements of his great contemporaries, Degas for example, and running on to affect directly the next generation – Picasso, Bourdelle and *Maillol conspicuous* among them. Ends April 10.
The Royal Academy: The Cimabue Crucifix – one of the greatest and most influential of the masterpieces of the early Renaissance brought to London by courtesy of Olivetti. This *extraordinary and beautiful object* was made by Cimabue in the 1280s for the great new church of Santa Croce in Florence, where it hung until it was all but destroyed in the appalling flood of 1966. Much of the painting was irretrievably lost, but the rescue of so much is o kind of miracle. Ends April 4

VIENNA

Museum für Angewandte Kunst: Meissner Porcellain from 1710 until the present.
Galerie Zacke, Schulerstr. 15: Japanese swords and daggers.
Opec House: Ecuador. Treasures of the past.
Palais Palffy: Turkish weapons from the Zagreb historical museum as part of the celebrations for Turkish year in Vienna. The collection of armoury and weapons, many with individual and magical designs, shows development between the 18th and 19th centuries.

NEW YORK

Metropolitan Museum of Art: Those overwhelmed by the sheer volume of art ot the Vatican will much appreciate the present loan of 230 choice pieces, including the Apollo Belvedere, Caravaggio's The Deposition and even modern pieces by Matisse in what the museum is calling its show of a decade. Ends June 12

WASHINGTON

National Gallery: Seven major series by sculptor *David Smith* are represented in the 60 large works in welded metal included in the exhibit. Ends April 24 (357 2700)
Corcoran Gallery: The latest in the Corcoran's Biennials, o tradition going back to 1907, concentrates on regional artists of the American west with 30 living painters represented by 106 works. Ends April 3.

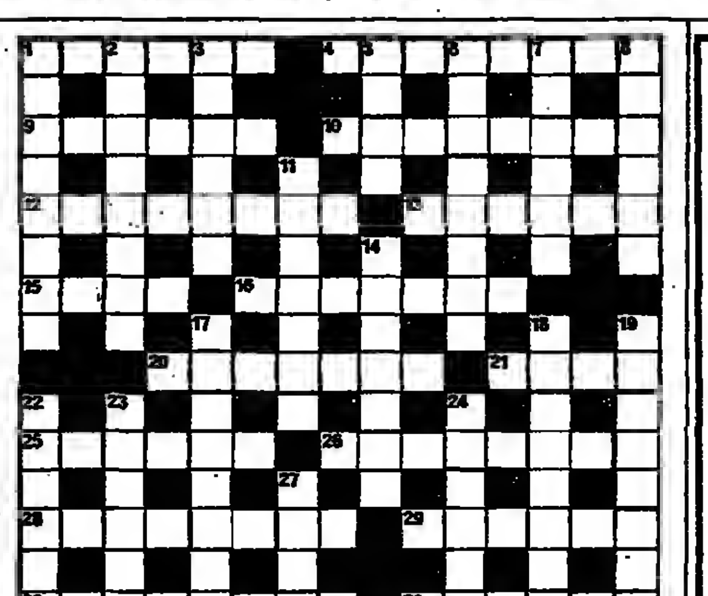
CHICAGO

Chicago Historical Society: Besides a permanent collection with o visual biography of Lincoln, audio-visual account of the great fire and daily demonstrations of weaving and *candlemaking, this regional institution* has a special show of something Chicagoans must know well: cold-weather clothing over the last century. Ends May 1.

WEST GERMANY

Düsseldorf, Kunsthalle: The show offers o comprehensive survey of Henri Matisse. The 80 paintings include works on loan from Paris, New York, London and Moscow. They are supplemented by e dozen sculptures. The focal point of the show is the gigantic La Danse. Ends April 4.
Munich, Lenbachhaus, 33 Luisenstrasse: More than 200 paintings by the Russian artist Alexej von Jowlensky (1864-1941), and 15 works of friends and contemporaries. Ends April 17.
Berlin: National Gallerie, 58 Kurfürstenstraße. The only German venue of Swiss artist Ferdinand Hodler exhibition, which offers the first comprehensive survey of his work since his death in 1918. Ends April 24.
Bremen, Kunsthalle, 207 Am Wall. Drawings, water colours and pastels by the 'Nabis' and the 'Fauves', two French groups of artists from between 1890 and 1930. Ends April 10.
Hamburg, Kunsthalle, 1 Glockengiesserwall: Portraits from Martin Luther's times. Ends April 24.
Bonn, Städtisches Kunstmuseum, 7 Rathausgasse: 140 works by Paul Klee, August Macke and Louis Moilliet from o Tunisian trip which the three took together shortly before the First World War. Ends April 24.
Cologne, Kunsthalle, 1 Josef Haubrich Hof: Georges Rouault – 250 paintings, water colours, gouaches and graphics. Ends May 8.
Hamburg, Museum für Völkerkunde, 64 Rothenbaumchaussee: The Museum for Ethnology is showing arts and crafts from Guizhou (Southwest China). Ends April 30.
Cologne, Wallraf-Richartz-Museum, An der Rechtschule: Irish art of three thousand years comprises virtually all Irish national treasures on loan from the Irish National Museum, Trinity College, Dublin, and Irish Academy of Sciences. Manuscripts, relics of Irish Saints and utensils from the workshop of Irish monasteries; silverware; and gold and silver jewellery. Ends June 2.
Frankfurt, Liebighaus, 71 Schaumainkai: Museum for Ethnology is showing Syrian Art. Ends April 10

F.T. CROSSWORD PUZZLE No. 5,131



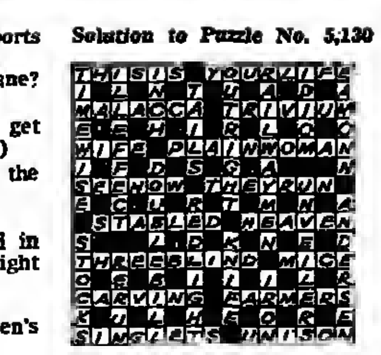
ACROSS

1 Girl carries on in Juliet's place (6)
4 Left in e rush, but made a statement (8)
9 Take out a form (6)
10 Peel read out what be did to the Corn Laws (8)
12 It's for drawing daily fuel (8)
13 Remarkable way to communicate (8)
15 Adds up the numbers of infants (4)
16 Title for o chepter in a football manual? (7)
20 Tide may change between sunrise and sunset (7)
21 Capital punishment (4)
25 Usual pattern followed by an Anglo-Saxon conqueror (8)
26 Came into force (8)
28 Plan to arouse one's curiosity (8)
29 Young female accompanist (6)
30 A case for small savings (5-3)
31 Cause o capital loss (6)

DOWN

1 The truth is, I act very strangely (8)
2 Sheepish roles in defence? (8)
3 A pure beginner? (6)
5 Flat-iron? (4)
6 Order Enid to be submissive (8)
7 Money-making facility (6)
8 Commonly do (6)
11 Manservant turns up at o Mediterranean port (7)
14 Very hard worker supports e mother (7)
17 Great misfortune for Jane? (8)
18 Far be it from Stan to get into a gambling game (8)
19 An outstanding part of the country (8)
22 Not well employed? (6)
23 It's extremely small and in favour of putting on weight (6)
24 Very little time (6)
27 I play in Roman children's game (4)

Solution to Puzzle No. 5,130



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Friday March 25 1983

Stop-go trade with China

THE COLLAPSE of the £100m deal between a consortium led by British Aerospace and Vosper Thorneycroft and the Chinese for Seadart missiles and the refit of two destroyers throws into sharp relief the continuing problems of doing business with the People's Republic. The contract was signed last November, subject to ratification by the Chinese Government within a fixed period of time. When the period had run its course, the Chinese simply said the deal was off.

This totally unexpected blow to the companies concerned comes after a phase in which China has been steadily expanding its contacts with the outside world. Since Chairman Mao died more than six years ago, Peking has moved from putting up with trade as a necessary evil to warmly encouraging it. This has benefitted the people of China in terms of a higher standard of living and a healthier economic base.

As a framework for the new policies, for the first time in a country traditionally wary of foreigners, Peking has evolved a new legal system to smooth their path, which covers foreign joint ventures, tax on foreign enterprises in China, and duties on imports and exports.

Reversals

During this period, western companies have maintained profitable trade with Chinese enterprises, selling plant and equipment, and buying Chinese raw materials and light industrial products. While Britain has not been the biggest beneficiary, British mining machinery companies, in particular, have gained contracts worth tens of millions of pounds. China is on the point of concluding deals with western oil companies for offshore exploration.

Yet this generally expanding trend has seen curious reversals. In early 1979, the Chinese telexed about a score of Japanese companies with which they had contracts for heavy industry equipment, telling them to suspend deliveries. When the Japanese recovered from the initial shock, they were able to renew negotiations over payment terms and most of the contracts were re-instated by the end of the year with the aid of loans.

Two years later, in 1981, Peking once more unilaterally cancelled most of its contracts with Japan and West Germany for chemical and steel plants. While again much of this was re-instated—and where it was not the Chinese paid compensation—Peking has created a cumulative impression that it can be a less-than-reliable trading partner.

Inexperience

In part, this can probably be put down to Chinese inexperience in foreign trade, and historically, a lack of interest in foreign attitudes. It may also stem from a less legalistic attitude to the written word than prevails in the West. One example of that is the way China hase rewritten its state and Communist Party constitutions time and again since 1949.

But there are also deeper reasons. In 1979 and 1981, there were good economic grounds for wanting to shelve expensive schemes which devoured scarce resources. Over-ambitious planning had precipitated shortages, inflation and substantial budget deficits. This required drastic cutbacks. bTis was understandable in 1979 and to some extent in 1981, since China was still recovering from the prolonged muddle of the Gang of Four. But by 1983, Peking should be able to avoid the swings in economic policy which can result in putting foreign companies through years of costly and eventually fruitless negotiation.

The impression remains that economic priorities, as between heavy industry, consumer goods and weaponry, are still a political football. Powerful factions within the leadership obtain resources to benefit their own interests, and, if their power wanes, the resources are diverted elsewhere. On top of that, in foreign policy, some groupings appear to lean more towards the Soviet Union and others to the West. This affects perceptions of the degree of military threat to China, and, hence, the urgency or otherwise of military modernisation.

Mme Chen Muhua, China's Minister of Foreign Economic Relations and Trade, is in Britain for a week's visit as the guest of the Secretary of State for Trade. She is welcome as a sign of China's increasingly outward-looking policies and of closer trade ties between the two countries. But China will get the best business deals from co-operative partners, and co-operation requires stability and mutual confidence.

Flaws in the Police Bill

THE STORM now raging over the Police and Criminal Evidence Bill has been a long time gathering. Published in November, the Bill has been in committee since January, but only this week has the Opposition firmly committed itself to the goal of repeal. At the same time, to the Government's astonishment, a coalition of bishops and lawyers has mustered sufficient support to provide a serious challenge to the Bill when it reaches the upper house after Easter.

The Bill's immediate roots are in the 1981 report of the Royal Commission on Criminal Procedure, which attempted to make sense of the morass of common and statute law governing the criminal justice system at its pre-trial stage and to do so while maintaining an acceptable balance between the police's need for effective powers to investigate and the innocent individual's right to liberty and absence from intrusion.

In the event, the Government rejected, many feel regrettably, the central proposal that responsibility for prosecution should be taken out of the police's hands, as in the case in most other countries.

Instead, the draft bill concentrates upon codifying police powers, most of which already exist, but in ill-defined form.

It is in the first area of detailed codification that hackles have been raised highest, with opponents arguing that twixt Royal Commission and draft Bill, the police have been allowed too much influence. In part, this is unfair. The precise language of a Bill was bound to appear more stark and therefore potentially more threatening than the generalisations of the Commission. Indeed, some of the criticism against the Bill has been provoked mainly by the definition and description of long-existing powers of which, no doubt, most citizens were in ignorance.

The power to set up roadblocks, for example, is less a case of bringing Ulster-style policing to Britain than a statement of limits to pre-existing powers. Provisions about the length of time a suspect may be held incommunicado sound harsh (36 hours without being allowed to talk to a solicitor), but in effect replace a system in which there were no effective limits.

Concern over clauses 9 and 10, however, is of a different order. Clause 10 permits the police, on application to a circuit judge, to demand confidential information from professionals such as doctors, lawyers, social workers and perhaps even journalists, and if they refuse to give it, to seize the information.

The judge need only be convinced that the professional in question possesses evidence relevant to "a serious arrestable offence". Clause nine makes the same provision for other innocent people who are holding "non-confidential" information, except that in these cases only a magistrate's approval is required to set the process in motion.

Imprecision

The Government says the police need these powers, especially in fraud cases, where power to search for evidence is now very limited. It also points to rare cases of doctors refusing to hand over important evidence such as, in one case, the bullets from a patient's body.

It has not explained, however, why it needs to legislate for the search power on such a broad basis, if fraud is the main problem area. Moreover, its definition of "serious arrestable offence," even in its recently amended form, is still far too vague and subjective. Either the Royal Commission's "grave offence" category or the Law Society's suggestion of a rubric of specific offences is preferable.

Although most of the clamour so far has revolved around the medical profession's outrage at Clause 10 — and this is indeed an area requiring the utmost sensitivity — the flaw of imprecision and therefore of excessive latitude runs through both Clauses 9 and 10. Unless the Government can produce precise reasons why the police should have these powers and precise safeguards against their abuse, the Lords will do the country a service by rebuffing the Bill.

THE FALL IN STERLING

Canute and a tidal wave

By Anthony Harris

"STERLING slide continues." The word "crisis," much on parade in January, is clearly being kept ready for use; the printers' slugs which spell out "New all-time low" are already getting worn. Yet the official world seems totally calm. The Chancellor has nothing to say about exchange rate objectives in his otherwise firm rhetoric on Budget day, and only yesterday an American reporter was allowed to gain the quite misleading impression that the authorities are covertly encouraging the slide.

Meanwhile a merchant banker with good industrial contacts observes "with sterling at DM 3.50, they ought to be dancing in the streets in Birmingham."

Is this then a crisis, a welcome adjustment, simply one of those things? The question is a great deal harder to answer than it may appear. In an ideal world—the world which it was once imagined would result from the general floating of exchange rates—rates would adjust to reflect such things as relative inflation rates. The "real exchange rate"—the relation between what a pound will buy at home and what it will buy if converted into foreign currency—will remain pretty stable. This stability will be disturbed by structural changes, such as Britain's emergence as an oil producer, so it might be expected that the real exchange rate would have risen quite sharply.

The real world is not like that, as a glance at the chart will show. It is hard to say even whether the pound is now high or low. Against the dollar, the real exchange rate is now actually lower than it was before we became an oil producer—but then the dollar is now, by general consent, overvalued. Against the D-mark we are a long way down from the peak, but still well up on the pre-oil norm, so that competition remains very challenging; only the red-blooded will feel like dancing in the streets.

Further comparisons only make the picture more confusing. Sterling is still sharply up against the yen, yet Japan remains the most efficient and dynamic economy on earth. On the other hand the pound is heading back towards its historic parity with the Irish punt, which is obviously crazy; Ireland is still suffering high inflation, is riddled with debt and is in the middle of what is a crisis by any standards. Trying to measure the "height" of the exchange rate in the markets we have nowadays is like trying to measure the height of a lighthouse from a boat in the middle of a succession of tidal waves.

The lighthouse analogy will serve to illustrate another point; for if the Government chose to say anything about the exchange rate, it might justifiably argue that the impression that sterling has sunk since the oil price broke is deceptive. It is simply that all the other currencies we watch are going up. In the same way, a lighthouse looks shorter when the tide rises.

The justification lies in the fact that the North Sea has not actually turned sterling into a petro-currency; our net oil exports are not huge, and a good proportion of the money they earn is taken home by foreign companies operating in the North Sea. We have, however, some oil-immune in a world which is largely very vulnerable to movements in the oil price. Cheaper oil makes only a marginal difference to our own external position, but does wonders for the U.S., Germany and Japan.

In a general way, then, it can be said that the Chancellor is in much the same position as King Canote. If he sits still while a tide is floating everyone else up, he will get wet feet (indeed, since the relative fall of sterling is a stimulus to industry, even if some way short of dancing in the streets, one might say that the trouble in Opec has turned Sir Geoffrey into a wet in a more political sense). Like King Canute, to do justice to that much misunderstood sage, Sir Geoffrey knows that it is no use opposing a rising tide with edicts.

All the same, we do have some freedom of movement on our stretch of foreshore, and while nothing could have prevented some relative fall in sterling, it is still legitimate to ask whether we have simply sat waiting, or moved to potentially drier ground, or have perhaps moved positively down to meet the tide earlier, and got wetter. To judge this, it may be worth looking at a measure of monetary policy which has been largely forgotten in this country since oil carried us beyond the disciplinary powers of the International Monetary Fund—domestic credit expansion.

DCE, very broadly speaking, measures potential monetary growth generated at home. If the money created by bank lending (to government as well as private borrowers) is kept at home, then the broadly-defined money supply, sterling M3, will rise in step with it.

If financial policy is tight, one would usually expect to see a surplus on the current account of the balance of payments, due to the restraint of domestic spending; these foreign earnings will add to the money supply, and money growth will exceed DCE.

If policy is lax, on the other hand, lending will be excessive, spending will exceed income, and some of the money created at home will leak abroad. Money growth will be less than DCE.

Our present situation, however, is more complicated. The UK has a strong current account balance of payments (or had until this year), and our home economy is depressed; this suggests that policy is very tight.

On the other hand, Britain has sprung a leak on the capital account—domestic money is going abroad. This flow was last year enough to swamp a £4½bn balance of payments surplus, and leave sterling weak. Through a series of accounting identities, this means that DCE has been rising faster than money growth, which looks like slack policy. The excess in the last 12 months have been very large — an overage of more than £750m a month.

It is tempting to conclude that this "proves" that sterling's weakness is due to lax credit policies, and that just as in 1976, sterling is being undermined by a failure to watch the right indicator at home. The apparently orderly monetary figures, on this line of argument, are not reassuring at all; monetary growth has been moderate only because so much money has been flowing overseas.

However, this robust conclusion is misleading. It is always dangerous to read one side of an accounting identity as cause and the other as effect; it is an open question whether a tighter policy at home would have checked the outflow and so strengthened sterling, or would simply have depressed monetary growth and the whole economy with it. It would probably have done a bit of both.

The most that it is safe to conclude is that until quite recently domestic policy tended to permit outflows. When they were bigger than our foreign earnings, the difference was made up by intervening in the exchange markets, or by selling Government stock to foreign investors; and part of the outflow was created by allowing banks to lend sterling to foreigners to buy our exports in addition to lending at home.

All these are different ways of financing outflows without raising interest rates at home, and they all tend to raise DCE above money growth.

In other words, the Government was giving a higher priority to cutting interest rates than to sterling, as we all knew at the time. When the market finally imposed a rise in interest rates during the Prime Minister's visit to the Falklands, she was displeased; but the excess credit creation is now sharply lower.

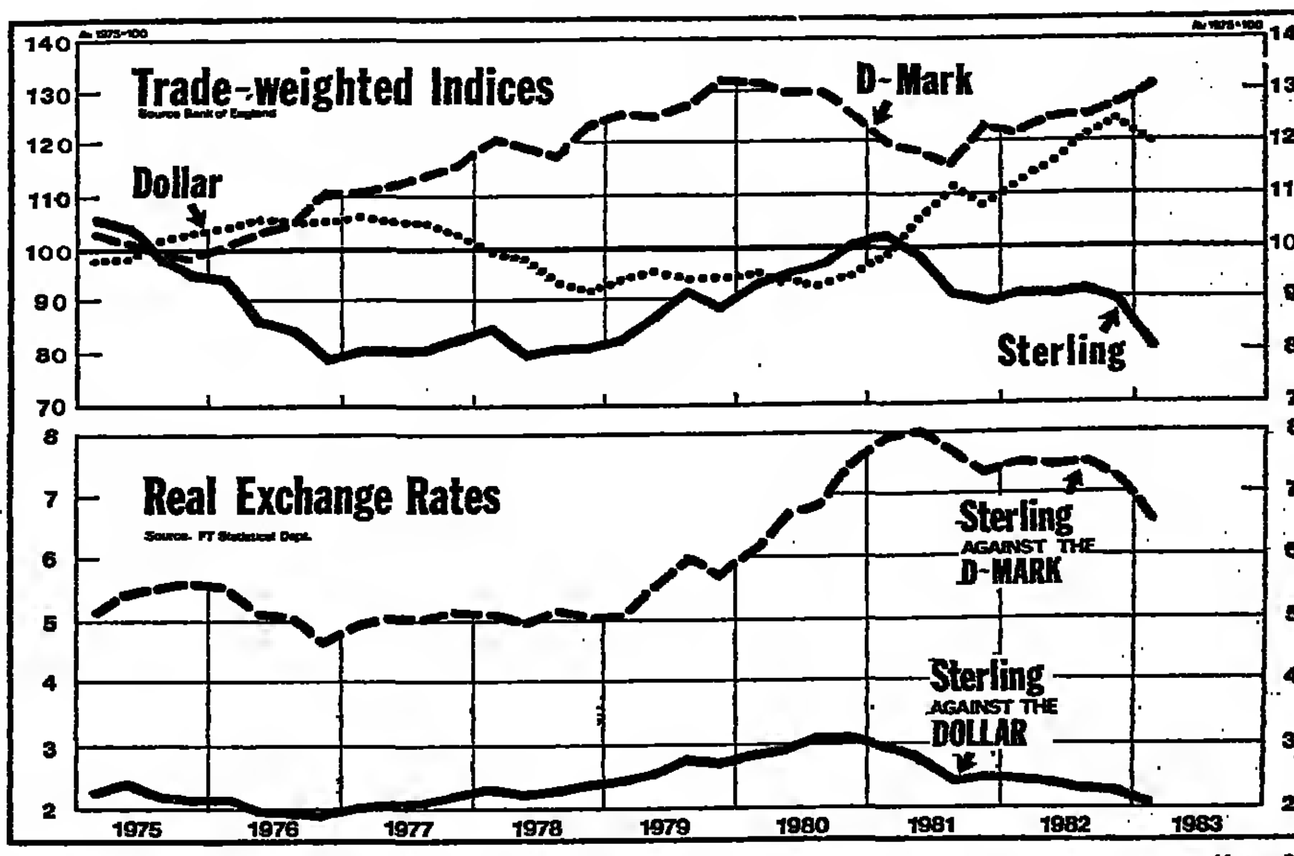
If other things had been equal, this change should have checked the fall in sterling; but they are not equal. The oil situation is still far from resolved, the trade figures have taken a sharp turn for the worse since the deceptive large surpluses in November and December, and the markets have begun to fear that the next move in U.S. interest rates wil be up rather than down. Meanwhile Germany and Japan have much improved their own trade performance. For all these reasons, sterling has remained the wallflower at the foreign currency ball.

This is not just a matter of bad luck; thanks to a most ironic piece of logic, the depressed state of the oil market and the threatening condition of the U.S. bond market are closely connected. This is because the Opec countries were very large investors in dollar balances and securities when they had a surplus.

Falling prices have made some dent in the surplus, but their falling market share has done the real damage; the surplus has vanished, the money has fallen into less miserly hands, and bonds are harder to sell. A U.S. government deficit which might have been manageable when Opec was investing $100bn a year is now a blinding headache.

In all these circumstances, the Government is in an unenviable position; almost anything it does is liable to go wrong. If interest rates are allowed to rise again, the markets might suspect panic, as they did after a celebrated jump in Bank Rate almost 20 years ago; the economy would be depressed, and sterling would fall faster. If they issue proclamations of their wishes, they may be left in the position of King Canute with nothing but a wetting to show for it. If they do nothing, which appears on the face of it the wisest course, they invite the suspicion of wanting sterling lower.

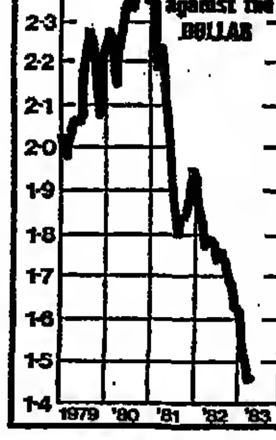
There is one thing that might work, though. The markets will rescue sterling as soon as they believe that there is a real upside potential (those who sold at $1.60 in 1976 are still smarting), and there is a political discount on sterling at the moment. A June election could make all the difference.



Martyn Barnes

The lower chart of exchange rates corrected for relative inflation shows that although sterling has fallen recently against the DM, it is still historically expensive in real terms. Against the dollar, however, it has fallen in real terms almost back to the levels seen in the 1976 crisis. As the upper chart shows, this is largely due to a rise of nearly 30 per cent in the dollar's trade weighted index in the last two years.

FURTHER comparisons only make the picture more confusing... Trying to measure the height of the exchange rate in the markets we have nowadays is like trying to measure the height of a lighthouse from a boat in the middle of a succession of tidal waves.



Men & Matters

Hearne's exit

There wasn't a spare seat at yesterday's press conference for Tricentrol's year-end results. But reporters anxious for more details of Graham Hearne's surprise resignation on Wednesday were sorely disappointed. The former chief executive was not around, and the oil company's flamboyant chairman, James Longcroft, refused to depart from a perfunctory prepared text on the matter.

Both men had been more expansive earlier, however. Longcroft, a tax exile living in Switzerland, said it was "absolute nonsense" to suggest the two of them had not got on.

"I didn't get in his way. It wasn't me, I can cope with any management structure. But boards of companies are funny things. My board decided it wanted a direct link with the exploration side. This meant changing the structure."

The new arrangement calls for joint managing directors, one for finance, the other for exploration, each reporting to Longcroft. This obviously left little room for Hearne who was brought in as chief executive only two years ago.

A lawyer by training, Hearne was picked out by Ronald Grierson back in 1967 to join the small group which helped to set up the Industrial Reorganisation Corporation. Also in that group was Christopher Hogg, now chairman of Courtaulds, where Hearne, after seven years at Rothschilds, later became finance director.

Hearne says he enjoyed his brief spell at Tricentrol "tremendously," but that it was important not to stay in a job where "one hasn't got the authority one needs."

He is fairly philosophical about his future. "I've been in a lot of businesses: textiles, banking, oil. The oil business is very exciting and still has a lot of potential despite the current problems.

"But oil isn't the be-all and end-all. I shall be looking to stay at the same level in business but not necessarily in oil."

"We could ask David Attenborough to give the shop stewards a talk on the life-cycle of the lemming."

Political fare

What do politicians eat apart from their words? Or with them? Well, Margaret Thatcher, it seems, is partial to frozen orange mousse. Chancellor Sir Geoffrey Howe plumps for avocado mousse—but offers a thought from Mao Tse Tung to help it down: "Thrift should be the guiding principla of Government..."

Three books (75p each and laid out on party lines) of British MPs' favourite recipes and quotations published yesterday show that Michael Foot (parsnip and orange soup) and Denis Healey (carrot and orange soup) are closer in some things than I imagined.

But Foot offers a helping of Byron with his dish; while Healey spikes his with Kierkegaard.

Tony Benn offers a pint mug of Co-op tea "on the hour or more often if necessary"—but few words of sympathy with it.

Ten per cent of the sales of each book, compiled by Sue and Nick Gregory, will go to the respective party funds. But even this has not been enough, apparently, to persuade Roy Jenkins to justify his reputation as a bon viveur.

The Liberal/SDP Alliance, in fact, seems anxious to present a proletarian image: David Steel recommends Welsh rarebit; Clement Freud, bread and butter pudding and Tom McNally, raw tripe.

"It is better to eat tripe than talk it," he adds, in his own words.

Rome falls

The closure of the Pantheon in Rome—after a piece of stucco fell on the head of a German tourist—only accentuates the sad state into which many of the city's ancient monuments are falling.

In a belated effort to save some of the best known from the devastating effects of 30 years of atmospheric pollution and traffic, many arches and columns are now wreathed in scaffolding or wrapped against the elements while they await repairs.

But an elaborate plan to open the Roman Forum to archaeologists and close an important main road in the interests of history has been inexplicably deferred by the newly-appointed Minister of Culture Nicola Vernola. This has deeply depressed those who hoped that the restoration of the Roman monuments was at last to get an enormous impetus (and substantial funds).

Giovanni de Geso, superintendent of monuments, says he finds little enthusiasm in the Ministry even to start work on the Pantheon at a relatively modest cost of £130,000.

As if that were not enough, Rome's Opera House was also closed earlier this week on the grounds that it is unsafe. And Pope John Paul this weekend inauguratee Holy Year, which is expected to bring to Rome the greatest influx of visitors ever.

Well-meant

If oil spills could be cleaned up by committee, the southern Gulf states would have nothing to fear from the thousands of tonnes of heavy crude pouring from damaged wells in Iran's Nowrooz field.

The Bahrain Government has set up its own action committee; and the United Arab Emirates has done the same.

Then there are ROPME, MEMAC and GAOCMAO all eager to help. The first is the Kuwait-based Regional Organisation for the Protection of the Marine Environment, which is trying to get one of its members, Iraq, to agree to a ceasefire while Red Adair's company seals the leaks.

MEMAC, the Marine Emergency Mutual Aid Centre, is ROPME's Bahrain-based offspring.

While the last, the Gulf Area Oil Companies' Mutual Aid Organisation, stands ready to throw its booms and skimmers in defence of the beaches—provided it can be sure of recovering its costs.

Once Iraq has been persuaded to give up a military advantage to prevent ecological disaster, perhaps the most practical step would be to put the cleaning-up job out to tender. It seems to work with refuse collection in Britain.

No comment

A friend walked into a Dublin newsagent's and asked for the Financial Times. "Would you be wanting yesterday's or today's?" came the reply.

"Today's, of course," said my friend, somewhat puzzled. "Then it would be best to try again tomorrow," he was told.

Observer

BRITAIN'S TOURIST INDUSTRY

Why operators are nervous

By Arthur Sandles

FOR THE past three years at least the British package tourist has been the wonder of Europe. While the West German market faltered as that nation worried about inflation and unemployment, and as the Scandinavians also grew nervous, the British blithely scraped up their weakening pounds and headed for foreign climes. Some 15 per cent more Britons took off for the holiday countries of Europe last year than the year before—a flow which helped push the UK into a deep deficit on its tourism account (some £408m).

Now, however, there is talk of even the British retreating. Package tour bookings are currently well down on last year, a month ago they were showing a 17 per cent fall off.

Needless to say this news sent up alarm signals among Britain's tourist destinations. But things may not be as bad as they seem.

The British are increasingly waiting until the last minute before making their holiday decisions. The result is that March and April, once dead months, are now peak booking periods.

At the moment bookings are pouring in. Whether they will eventually reach last year's figures remains the open question and, naturally enough, the tour operators themselves are taking an optimistic view.

But if the pessimists are right — and the present flow of bookings does not continue — the implications for the hoteliers of Torremolinos and the bar tenders of Corfu will be considerable. The British, along with the Germans and Swedes, provide a massive slice of the Spanish, Greek, Jugoslav and Portuguese middle bracket tourist business. U.S. tourists, whose dollars have substantially appreciated in value in recent months, tend to provide custom at the upper end of the business, while domestic and motorised visitors (predominantly Germans) fill the one- and two-star properties.

In a good year well over 3m Britons go to Spain, 1m to Italy, 400,000 to Portugal, and 260,000 to Greece. More than 500,000 Britons can be expected to invade the tiny island of Cyprus alone. France remains the biggest single beneficiary of the UK's touristic largesse with more than 4m UK residents crossing the Channel for a touch of vin ordinaire and free range escargots.

Suggestions that in the summer of 1983 the British might actually choose to holiday at home have provoked a degree of nervousness, not least among investors who have leapt on the tourism bandwagon via such quoted companies as Horizon, Saga and Intasun.

If UK tourist traffic to foreign parts did decline this year it would simply be following the example of others. In 1981 and 1982 there was a considerable real decline in German foreign expenditure on holidays. Professor Georg Bleile, of the West German Heilbronn Technical College, recently told the ITB conference in Berlin (the world's largest tourism gathering) that the German tour industry has had a "rude awakening" from its "far too optimistic assessments of growth."

"Many tour operators went bankrupt. In order to introduce economies, numerous tour operators were forced to reduce the scope of their programmes considerably. Countless independent travel agents became the victims of this unexpected downturn. In the first half of 1982 the Federal Statistics Office recorded 42 bankruptcies in the travel agency sector."

But in Britain, too, there are signs of woe. In the first two months of this year five UK air tour operators suffered the indignity of having their licences suspended by the Civil Aviation Authority. One, Buddies, was rescued from the brink of disaster, being taken over by Pontins, the Bass subsidiary.

At the moment the Civil Aviation Authority is doing its half-yearly screening of tour companies. Some 320 groups are involved at the moment and, of these, it looks as if at least between 20 and 30 are going to end up in the inquisitorial chair as a result of doubts over their fortunes. Most will be asked to put up more capital to be better able to survive what could be a tricky year. Some will not be able to find the extra cash.

The CAA resents being criticised on one side by the media for being too lax (was it slow in pulling the rug from Laker?) and on the other from smaller operators for being over-zealous. The small companies complain that the constant pressure for more capital only helps the big boys with huge parent companies.

According to the CAA too many tour operators are over optimistic about the future and make over-large commitments. "Optimism is all right, but it has to be backed by the right financial resources. We get a lot of stick but people forget that our main work is the monitoring of companies. This is the one time they have to sit down and look at their figures properly. We are able to point out to them that they need more money."

Nervousness about lesser known companies is beginning to show. Some 18 companies control 70 per cent of Britain's package holiday business and the top six—Thomson, Intasun, Horizon, British Airways (mainly Sovereign and Enterprise), Cosmos and OSL/Wings—probably account for half the market of between 5.5m and 6m air charter package tours. This leaves thin pickings for others.

Market research suggests that this year has seen a further tendency for customers to deal with these bigger companies. Thomson, which carried out a big price cutting publicity campaign immediately before Christmas, appears to be coming out particularly well.

All these big companies, and for that matter almost everyone else in the business, are suggesting that it is far too early to start crying wolf over a decline this year.

Horizon's chairman, Mr Bruce Tanner, points out that while sales were down 30 per cent in December the current figure is rather better—around 10 per cent.

He suggests that business may turn out about the same as last year, or even up "three or four per cent." Mr Roger Heape, managing director of Thomson Holidays, is even more optimistic, suggesting that business could be up by as much as 10 per cent.

All these forecasts suggest that the trend towards late bookings will be greater than ever this year. The trend has been encouraged by the fact there is ample capacity in most resorts (other than prime ones in the peak of the school holidays) that early bookings can be subject to surcharges and that discounts are frequently offered as last minute inducements.

Discounting is already widespread for the current early summer season.

A recent survey of the business by researchers Euromonitor suggested that 20 per cent of UK package tour sales last year were made at lower than the originally published price. This may help to explain why the UK market, like the German, has shown a decline in real value, in spite of an increase in the number of holidays sold.

Another explanation for the decline is that Britain has been adjusting its holiday plans to its pocket. Long haul business, in particular, is showing signs of strain. Last year traffic to the North America fell by 21 per cent and to other non-European destinations by 3 per cent. The increases have been to the package tour heartlands — particularly Spain and Greece.

Another winner has been France, which accounts for more than 40 per cent of Britain's independent holiday traffic (most of it by car) and only 13.5 per cent of the package tour trade. The British middle classes, tempted by a still relatively weak franc, and deterred by the sheer cost of holidaymaking in the Caribbean or the Far East, have been trundling their cars into the French rural areas in considerable numbers.

All in all the major tour companies seem to reckon that things are nowhere near as bad as has been suggested. Even Horizon now says that bookings have improved steadily and are now "coming in at a greater rate than at this time last year."

For some of the companies that are not in Horizon's fortunate position, however, the sluggishness of sales may prove a problem as the CAA's fitness test looms. "In the old days at this time of the year people lived off the fat of their deposits for the coming summer," says the CAA. "Those times are over."

The currency swings and roundabouts

BRITAIN'S tour operators price their packages according to the rates of exchange published in the Financial Times on uniform dates. For next winter all major operators have used March 1 information. For 1984 summer programmes, if past form is any indication, the chosen date will be early in July. The operators claim that by doing this the customer can see that there is no hidden manipulation of surcharges.

This system produces considerable problems. Many Britons are currently on winter sun and skiing holidays which were priced on March 1982 exchange rates.

Then there were 30.44 Austrian Schillings to the pound. UK winter sports enthusiasts know that the rate was 25.25 earlier this week and that they will be lucky to be getting 24 at local banks. The dollar rate was 1.82 (1.47 this week).

But it is not all one way—the wobbly peseta has further weakened from 188 a year ago to 200 this week; the Greek drachma has gone from 113 to 125.5 and the Portuguese escudo from 129.5 to 141 to the pound.

Most tour operators seem to have relied on this swings and roundabouts position for the past couple of years. The general advice they received that the sunshine currencies would be even weaker than sterling has proved accurate with what one tour operator described as the "baffling exception" of Italy (it was 2,335 lire to the pound and is now 2,129). The gains made here have to some extent counter-balanced the losses in dollars (needed for fuel).

Tour companies do, of course, buy currency forward to a considerable extent. "But you do not remove all your risk that way," says Thomson. "You still have to estimate your needs. Get it wrong and you are in trouble."

A tour company, for example, that specialised in Portugal and Austria and bought equal amounts of both currencies, then saw its Portuguese custom flop and Austrian business soar, would be stuck with sackfuls of a weak currency to pay bills in a strong one.

The companies have been trying to overcome this by offering price guarantees particularly to those customers who book early—thus making prediction easier.

THE Civil Aviation Authority issues the licences which all UK tour operators need to sell air package tours legally. Some 320 licences are due for renewal by March 31. Any application which seems to need further questioning is referred by CAA officials to board member Mr Brian Smith (right). The full CAA board looks to him for a final recommendation on whether or not the licence should be continued. Such are the pressures this year that Mr Smith is holding "two or three meetings a day" with tour operator hopefuls who still have questions to answer before 5.30 next Thursday evening when the final axe falls.

Lombard

Another crisis scenario

By Nicholas Colchester

SUFFICIENT SCORN has already been heaped upon the buzzwords and jargon of the times, the "meaningful, relevant and ongoing situations" or those "compatible interfaces." They are a form of verbal padding. They add weight and mystery to what might sound deflatingly simple when spelt out in English. Yet there are other words which are annoying in a different way: in themselves these words are fine, but they are used to such excess that they come to represent delusion and hazy logic.

Crisis is an example. It has been used and used in recent years to the point of total debasement. The true crisis is the moment in a disease that is decisive of recovery or death. Yet today it is used to mean the disease itself. We have, in the first words of the first Brandt Report, a crisis of international relations and the world economy. We have a debt crisis and an oil crisis and crisis in the transatlantic partnership. The second Brandt Report is called Common Crisis and this sounds about right, and tells us nothing.

Model

The result of this plethora of crises is that a crisis mentality is fostered. This is not a state of alert but a dull and nagging feeling that the odds are heavily stacked against all enterprise. Those who bandy the word "crisis" about presumably hope for the opposite effect—they want to prick us out of our complacency and into corrective action. They would do better to find exact words to describe the malady: the article on the forthcoming economic summit by Robert Hormats in this paper on Wednesday was a model of this approach. After diagnosis and prescription the crisis, when it comes, will be more likely to mark a change for the better.

Scenario is another modern impostor. Last week the senior economist of a big French bank told an audience of London bankers that he saw four scenarios for the world economy—steady growth, intermittent growth, stagnation and depression. He ventured that the middle two were more likely than the first and last. This took him an hour and seemed nice work if you could get it.

Scenario and her twin sister PROBABILITY have taken all of the pain and much of the usefulness out of economic forecasting. Like the floating rate loan they are an elegant device to shift the risk onto the customer. And as with floating rate loans scenarios are starting to undermine the worth of those who advance them.

Uncertainty, like crisis, is a word so frequently used at the moment that it starts to subvert people's ideas of normality. The markets, we are constantly told, hate uncertainty. The world economy is beset by an unusual degree of uncertainty. Yet in fifteen years writing for this newspaper I can never remember a time of certainty: everybody seemed worried most of the time. One can, in retrospect, maintain that things were once more certain—but the point is that no one realised it at the time. Uncertainty is the reverse side of opportunity, just as risk is of profit, and we only demoralise ourselves if we convince ourselves otherwise.

Finally, Liquidity. In a world of international money and banking, where only a faded remnant of sovereignty attaches to any national currency, liquidity is a word whose use has left even the addenda of the Oxford English Dictionary far behind. It is a most useful abstract noun meaning the ease with which assets can be turned into cash, and also, increasingly, the freedom and confidence with which deposits move about the banking system.

Godsend

But beyond these meanings liquidity becomes a godsend to the imprecise. What do people mean when they say that "markets are awash with liquidity," while interest rates are at record real levels? Or when they argue a need for "greater global liquidity through a new issue of special drawing rights." Liquidity can become a mystical euphemism for money for loans, for aid and ultimately for the free lunch. When people start talking liquidity, you start looking at them over your spectacles.

Letters to the Editor

The market in coal, the price of oil and the EEC

From Mr D. Rollo

Sir,—Mr Musgrave (March 21) supports the idea of importing coal, but ignores the fact that the UK has to pay its way internationally. With the run-down of industry and even allowing for the benefits from our Scottish oil, it is doubtful if coal can be added to the UK's already overlarge international shopping list.

Other questions arise. How secure will the sources of supply be and will the prices remain stable? Over what period does Mr Musgrave envisage that this trade will take place; until the oil runs out perhaps? To what depths will the value of the pound descend, particularly if the oil states demand a refund of the money loaned to the banks which was then loaned to countries like Poland, Mexico and Brazil—not to mention the Argentine.

In fact, of course, UK coal is cheap by the international energy standard of the price of oil. With oil around $30 a barrel, coal at £80 per tonne would be competitive taking account of their relative calorific values when used for electrical power generation.

"Hold the country to ransom." Nonsense. Certainly in Scotland at least we have enough in the way of nuclear power and unused oil-fired stations — at Inverkip and Peterhead—to generate all the electricity required.

The solution for the coal industry is for the UK to insist that the EEC operates a common market in coal in the same way as it operates one in agriculture. We would then see coal being subsidised for export to countries outside the EEC to the benefit of the UK and Germany and to the chagrin of the other members.

David Rollo.
25 Beaufort Drive,
Kirkintilloch, Glasgow.

An equitable society

From Mrs M. Boughton

Sir,—What a boomerang Mr Penwill sets in motion ("Where do riches begin?" March 21). If ever there was a Government in power which has lined the pockets of its most influential supporters it is this one. The richer end of the income spectrum has been consistently favoured (in 1979 to an outrageous extent).

The opposite bias of a Labour Government is never able to redistribute the cake to bring equivalent improvements to the poor simply because there are so many of them. It is mean-spirited to doubt the sincerity of those who are better off and would prefer to live in a more equitable society however it affected their own pockets.

(Mrs) M. B. Boughton,
44 Plantation Road,
Oxford.

Interpreting the Truck Acts

From Mr S. Magnus

Sir,—May I express my thanks to Mr D. M. Reid for his letter (March 19) drawing attention to my judgment in *Brooker v Charrington Fuel Oils*. I had no idea that it had been reported.

May I, at the same time, in the interests of accuracy, make an observation or two. First, I ceased to be entitled to be addressed as "Mr Justice Magnus" when I retired from the Zambia Bench as a Justice of Appeal in 1971. When I delivered the Brooker judgment, I was sitting as a deputy circuit judge.

The second point is to underline what Mr Reid made clear, namely, that my remarks as cited by him were *obiter*, as I had already decided that Mr Brooker was not a "workman" within the meaning of the Truck Acts.

Nevertheless, I still stand by what I then said, and believe that it was an accurate statement of the law.

Samuel W. Magnus,
Foreign Compensation Commission,
Alexandra House,
Kingsway, WC2.

Universally cashless

From the Director General, Engineering Employers' Federation

Sir,—Your editorial support (March 15) for the principle of cashless pay is welcome. The advantages in terms of economy, security and the even-handed treatment of all employees are widely acknowledged.

Unfortunately there is some confusion about what repeal of the Truck Acts would mean. It would not of itself compel companies to change their methods of payment, nor would it compel employees to accept an unwanted change. It would, however, facilitate progress by removing a major obstacle, leaving the precise method by which so-called manual workers are paid to be decided between them and their employer—as it is for the rest of the workforce.

The federation pointed out in its representations to the Central Policy Review Staff that the Government should set an example in its role as an employer by developing non-cash pay for all civil servants and public sector employees. Such progress is being achieved in the case of non-industrial civil servants without resort to steamroller tactics.

As the Government and the engineering industry both acknowledge, there is no place in today's world for archaic legislation which imposes arbitrary distinctions between different groups of employees, and which perpetuates the idea that manual and staff employees are somehow different from each other.

James McFarlane,
Broadway House,
Tothill Street, SW1.

Trouble at Lloyd's

From Mr C. Ranald

Sir,—Yet another potential source of discontent is rearing its head at the troubled Lloyd's insurance market.

The Fisher report, followed by the extra-ordinary general meeting of Lloyd's members brought about the appointment of eight non-working names to the new 27-strong ruling council. The election procedure for the 83 candidates was lengthy and thorough, making crystal clear to each and every one that although the duties would be considerable and time-consuming they carried no remuneration.

It is reported now (March 22) that certain of these eight honorary elected "names" wish to accept paid consultancy appointments with Lloyd's firms. They even suggest that if such fee-earnings are not permitted they should be remunerated by Lloyd's itself at a figure of between £5,000 and £10,000 per annum.

The whole purpose of electing eight non-working "names" to the council was to represent the interests of the other 16,000 "names." The purpose was not and must not be allowed to become a self-enrichment centre with conflicting interests arising at every council meeting.

Charles Ranald,
L'Annonciade,
Avenue L'Annonciade,
MC Monte-Carlo.

Patterns in carpet buying

From the Managing Director, Home and Law Magazines

Sir,—May I add my comments to David Buck's reaction (March 21) to Anthony Moreton's article "Cheaper home loans lead to some signs of an upturn." Mr Moreton is correct, an increase in homebuying does bear some relationship to carpet sales.

Homebuyers represent just 5 per cent of all households, but homebuyers account for purchases of goods and services way beyond their market size. Recent homebuyers are four times more likely to purchase carpets than the average adult in the UK, and their purchases during the first year of occupation represent 19.2 per cent of all carpet sales in the UK.

Purchasers of Carpets £300+: Per cent of all adults purchasing in past 12 months—[illegible].9; Per cent of recent homebuyers purchasing in past 12 months—15.5; Index of purchases—398. Source: Target Group Index 1982.

I feel sure that the UK manufacturers of carpets welcome the current upturn in homebuying.

Philip Davies,
2-16 Goodge Street, W1.

Catering on HMS Belfast

From Mr J. Robbins

Sir,—Whatever Mr Egon Ronay and his inspectors have to say (March 21), rightly or wrongly, about the quality of the snack bar for tourists on board HMS Belfast, I believe they do a grave injustice by omitting to state that there is another and quite separate operation by different caterers on the ship.

For the record, the firm of Ring and Brymer is responsible for catering for the private functions on HMS Belfast. It has established in the City—over three centuries—a fine reputation in catering for such prestigious occasions as the Lord Mayor's Banquet, State Banquets at Guildhall and Livery Halls as well as government functions. Many monarchs have been numbered among customers who have enjoyed the company's services.

The publicity following the publication of the report on refreshment facilities for tourists has unfortunately resulted in cancellation of five functions on HMS Belfast. It is regrettable that this confusion has arisen.

John Robbins.
Trusthouse Forte,
86, Park Lane, W1.

FINANCIAL TIMES

Friday March 25 1983

Peter Montagnon in Panama City talks to Sr Carlos Langoni, Brazil's central bank governor

Brazil pins debt hopes on $6bn surplus

THE POSITION of Sr Carlos Langoni, central bank governor of Brazil, is rather like that of a chef who has just put a souffle in the oven. It will take some time before he knows that it will turn out all right, and meanwhile he has to stave off hunger pangs with a few dried biscuits.

Of course, cooking souffles is a notoriously risky business. So, for Brazil, is predicting a $6bn surplus in its international trade for 1983.

This forecast has become one of the most widely dissected statistics in the Euromarkets this year. For it is on the assumption that the target can be reached that Brazil has based its whole multi-billion dollar debt rescue package from the International Monetary Fund and commercial banks.

So far, Brazil has reported a combined surplus of only $310m for January and February. This has led to widespread predictions by its creditor banks that it will seriously undershoot its trade target and have to come back to the banks for more money soon, in addition to the $4.4bn loan signed last month.

But Sr Langoni himself is still remarkably relaxed. "It is really very difficult to know exactly what will happen, but it is unfair to say a priori that the target will not be met. On the contrary, there is a very clear trend for improvement," he said in an interview at the Inter-American Development Bank annual meeting here.

The problem is that this trend will only show through when the statistics for March and April are published. These will be the first to show the impact of Brazil's maxi-devaluation of 30 per cent in February. Since then, exports have picked up, Sr Langoni says. Now he is forecasting a surplus of $300m for March.

If by mid-summer Brazil's trade is at least approaching the target it should not have too much problem borrowing the balance from the commercial banks. To try to pre-empt a shortfall by borrowing now would be counter-productive and most bankers agree that Brazil must wait till June or July before launching any new borrowing programme.

Sr Langoni himself refuses to discuss the borrowing options in public. What is clear, however, is that Brazil is now just managing to make ends meet on a foreign exchange liquidity position that on his own admission is still "relatively tight."

BRAZIL'S TRADE FIGURES ($bn)	Export	Imports
1979	15.3	18.1
1980	20.2	23.0
1981	23.3	22.1
1982 (estimated)	21.0	20.5
1983 (projected)	23.0	17.0

Source: Brazilian Central Bank

How is this possible? In the first place, Brazil has been able to draw on the $4.4bn commercial loan. Second, interbank lines to its commercial banks abroad have now stabilised at an improved level of $7.1bn to $7.2bn the safety net set up by the Federal Reserve and leading U.S. banks was unwound on March 10. Third, Brazil's commercial bank creditors have stepped up their short-term trade credits to the country to $10.3bn, well in excess of the $8bn prescribed in the rescue programme.

Sr Langoni says Brazil intends to draw the maximum possible on these trade credits. "We have here a very substantial liquidity margin which will help us even if we get no additional response from the interbank market," he says.

Brazil's external liquidity has come under particular strain in the first few months of this year as it has had to repay borrowings of $1.5bn from the U.S. Treasury and a first instalment of $400m on its bridging loan from the Basle-based Bank for International Settlements. But it has been helped by an agreement from commercial banks which last year extended a total of $2.3bn in short-term bridging loans and have agreed to defer repayment of half this amount till later in the year.

As far as the trade outlook is concerned, Sr Langoni points out that the recent cut in the Opec oil price will save Brazil some $900m on oil imports this year. Brazil still intends to cut its oil imports by an additional $1bn, and public-sector imports by $1bn, but now has some leeway on planned private-sector import cuts of another $1bn, he says.

Moreover, Sr Langoni argues that Brazil's plan to increase exports this year by some $2bn are not unduly optimistic. At $23bn, this will still leave total exports slightly below the $23.3bn level recorded in 1981.

In that year, for example, Brazil exported $800m worth of goods to Nigeria. Exports to that country were halved in 1982 and in 1983 are targeted to recover only to $600m under a programme that is heavily oriented towards barter business to get round Nigeria's problem that it too is short of cash.

If Brazil falls far short of these targets, it will clearly face major problems in raising extra cash from the banking system. Already Sr Langoni admits that raising the $4.4bn was "far from easy."

It was for that reason that Brazil decided to add to its debt rescue package the controversial element requiring banks to restore interbank lines to Brazilian banks to a minimum of $7.5bn. Though that too has proved very difficult, Brazil thought it would be preferable to an alternative approach of simply raising the total amount of the $4.4bn loan by several billion dollars.

Moreover, Brazil did not want to follow Mexico's example and nationalise its private-sector banks or take over their management in order to rescue them from the haemorrhage of deposits

THE LEX COLUMN

A collect call to Hong Kong

The acquisition by Cable and Wireless of a 35 per cent stake in Hong Kong Telephone is not, on the face of it, the kind of deal to delight a stock market which values the company highly on the basis of its long-term potential in the field of international telecommunications.

The purchase ploughs C & W deeper into Hong Kong, which already contributes much the largest slice of group earnings and is not at the moment the most fashionable place to invest new capital. It also increases C & W's dependence on franchise income at a time when the group's general drift is towards unregulated markets.

Yesterday, however, the share price slipped by only 5p to 415p in the wake of this transaction and a placing of new shares equivalent to over 10 per cent of outstanding equity. C & W has admittedly secured a fine price for Hongkong Land's holding in the utility, which may reflect its political acceptability in both Whitehall and Hong Kong. Earnings per share stand to gain by several percentage points in 1983-84 if C & W's share of lightly taxed Telephone earnings is left in the colony. Assuming that earnings are repatriated, the effect would be broadly neutral.

It is quite possible, however, that yesterday's deal represents only the prelude to a broader reorganisation of the colony's telephone industry. A 35 per cent holding in a company with which C & W negotiates hard and long over revenue apportionment presents long-term conflicts of interest, particularly as the final arbiter – the Hong Kong Government – itself has a 20 per cent holding in C & W's Hong Kong operation.

The best solution might be for C & W to make a full offer for Telephone and then float off a minority in the enlarged operation on the Hong Kong market. This kind of arrangement would greatly strengthen the British company's bargaining position in China, where both groups are presently active, and generate operating efficiencies within the colony itself.

Hongkong Land, meanwhile, makes a respectable turn on its holding and can presumably justify the disposal on the grounds that what started as an investment in real assets, when the initial purchase was made at the end of 1981, now looks more like an income producer with bits of depreciating property attached. The company must also, however, be grateful for cash in hand in case Jardine Matheson decides to raise new equity. In order to maintain their mutually protective holdings, it is vital that Land can subscribe for its full allotment without imposing a real strain on its balance sheet.

UDS

As the Bassishaw Investments consortium finally lumbered into a last charge in its battle for UDS yesterday, it found the enemy lying in ambush. The speed of Hanson's reaction to Bassishaw's final bid suggests that it had been doing plenty of staff work while the institutions rallied their forces into marching order. But it also illustrates that if a bidder is aiming to pulverise the opposition, it is just as well to lay in sufficient firepower.

Bassishaw's 130p per share cash offer was pitched just 10p higher than the value yesterday of the original Hanson bid which, thanks to the recent steadiness of the Hanson share price, has remained consistently above the former Bassishaw terms.

Admittedly Bassishaw is paying cash, and neither side has shown itself to be particularly generous in the contest so far. But by making its offer final Bassishaw left itself little room for manoeuvre, and Hanson has been able to top up its paper terms with additional cash offering a small premium.

After the fall in Hanson's share price yesterday to 185p the bid values the UDS shares at 136p, of which 20p is in cash. The core of the Hanson offer, of course, remains in paper, and shareholders still have to decide on its merits relative to the Bassishaw cash.

For capital gains tax reasons many institutions may prefer the shares, while the recent strength of the Hanson price suggests that its paper still enjoys wide market support.

The main question mark must be over its ability to squeeze out sufficient returns from what it aims to keep of UDS – and while Hanson's ability to carve up such an empire is evident from its track record, Bassishaw's retailing experts clearly thought that 130p set a limit on sound returns.

Commercial Union

Commercial Union's effort to project a more dynamic, technological image extends to the front cover of its 1982 report and accounts. Out go the stained-glass windows of recent years and in comes an IBM monitor screen, with the letters CU emblazoned across it in bright green.

Yet, in composite insurance, some things never change. The sector's time-honoured tradition of paying out monumental dividends is handsomely maintained by what amounts to an almost cast-iron guarantee in the CU chairman's statement that the 1982 dividend will be maintained in the current year. The 1982 payment was nothing like covered by historic earnings and indeed CU's attributable profits would have disappeared almost completely but for an exceptional release of life profits.

The company should do better this year but may still draw on reserves to fund a distribution of roughly £50m. CU can of course argue that unrealised gains on its fixed-interest portfolio have greatly strengthened the capital position but this case would only stand up if it reduced its dividend when interest rates were rising.

A dividend forecast so early in the year must suggest that the group's overriding concern is the threat of a takeover at a time when the market capitalisation of £524m represents only half book net worth. The stock market, however, has so far been unmoved by CU's reassuring noises. At last night's price of 127p, the yield – historic and prospective – is no less than 13.3 per cent.

Lloyd's to bolster reserve fund

By John Moore in London

LLOYD'S OF LONDON is planning to raise millions of pounds of extra revenue from the 21,601 members of its insurance market in an effort to strengthen a fund within its community which is vital to the security of a Lloyd's insurance policy.

Lloyd's said yesterday that no details had been finalised on the eventual levy to be imposed on members, but one formula believed to be under consideration could raise about around £35m ($51m) for the Lloyd's central fund, a fund of last resort.

The Lloyd's decision, announced yesterday, has been made following concern *within the market about* the size of the central fund, which stands at only £130m.

The fund, founded in 1927 in the wake of a Lloyd's scandal, is designed to meet the liability of any underwriting member whose security and personal assets are insufficient for his or her underwriting commitments.

Members joining Lloyd's accept the principle of unlimited liability and have to be prepared to pay insurance claims with all their personal wealth in the event of large losses.

When individuals become Lloyd's members they receive a share of the profits in return for pledging their private fortunes to allow the market to function.

Once their private wealth is exhausted the central fund is used to pay the claims on Lloyd's policies.

Until now the members have paid 0.45 per cent of their premiums after the deduction of reinsurance premiums which they have paid on their own protection against onerous losses.

The amount paid into the central fund on that basis is believed to be more than £6m annually. The fund is thought to have been as low as $50m in recent years.

It is now comparable in size to the total insurance capacity of just two large Lloyd's syndicates, the units into which all Lloyd's members are grouped. There are 431 syndicates in the market.

Under the new levy plan members will be charged a percentage of their business volumes before any deduction for the premiums which they are paying out for reinsurance protections.

No rate was indicated yesterday but the committee of Lloyd's working underwriters and brokers is understood to have suggested that the rate should be anything up to 10 per cent. The levy is expected to be set at 2.5 per cent of members' business volumes compared with the present 0.45 per cent.

Cable & Wireless pays £143m for Hongkong Telephone stake

BY ROBERT COTTRELL IN HONG KONG AND JASON CRISP IN LONDON

CABLE AND WIRELESS, the UK-based telecommunications group, is paying £143m ($208m) for a 34.8 per cent stake in the Hong Kong Telephone Company, the colony's publicly quoted domestic telephone utility.

Cable and Wireless is buying the stake from Hongkong Land by issuing it with 30m new shares and paying the balance of about £24m in cash.

The new shares were placed in London by Cazenove at 396p and dealings are expected to begin on March 30. Last night Cable and Wireless shares closed at 415p, down 5p.

The issue of the new shares has diluted the British Government's holding from 50 per cent and one share to just over 45 per cent. In October 1981, the Government sold almost half of Cable and Wireless to private investors at 168p a share, raising £224m.

More than half of Cable and Wireless profits come from its 80 per cent owned Hong Kong subsidiary. The Hong Kong Government holds the remaining 20 per cent. Cable and Wireless has a 25-year franchise to provide all international telephone services and telex, in Hong Kong, Kowloon and the New Territories.

It has had a close, but often troubled, relationship with Hong Kong Telephone Company which has been increasing the tariff it charges Cable and Wireless on international calls.

The tariff began at 10 per cent and has increased to 40 per cent. Relations between the two companies became so bad that in 1980 the Hong Kong Postmaster General had to adjudicate between them.

Cable and Wireless denied that the purchase of nearly 35 per cent of Hong Kong Telephone was to thwart plans to increase the tariff further.

Hong Kong Telephone's overall profits are limited by the Government to a return, after tax, of 16 per cent on shareholders' funds.

It wants the formula changed to one based on fixed assets. Hong Kong Telephone is investing heavily in new technology, including optical fibres and digital switching. The company plans to spend HK$5.5bn ($930m) over six years beginning 1982.

Cable and Wireless has also been establishing itself in China for many years.


Herr Karlheinz Kaske: chief executive

Siemens to raise DM 220m

By Stewart Fleming in Frankfurt

SIEMENS, West Germany's largest electrical concern, is to raise DM 220m ($91m) in a rights issue in a move seen in the Frankfurt financial markets yesterday as a disguised dividend.

With some DM 11bn of cash and securities in its last balance sheet, more money (the company critics say) than it knows what to do with, Siemens is clearly not in need of funds or even new equity.

Nevertheless, at its annual meeting yesterday it announced that it *would make a one-for-20 issue*. The new shares will cost existing shareholders only DM 100 each, whereas the company's share price rose yesterday by DM 8 to DM 326.

"It is a type of dividend increase for shareholders," a merchant banker remarked yesterday. "West German companies prefer to do it this way sometimes rather than raise the dividend. It avoids discussions within the unions about rich capitalists earning too much from their shares."

Shareholders, he pointed out, can sell the rights without capital gains tax liability. As to the market reaction, he commented: "In a strong stock exchange, a rights issue is seen as a positive factor, a stimulus. In a bad market, it is an overhang and tends to depress the price." West German share prices have been rising strongly in recent months.

Dr Karlheinz Kaske, the chief executive, told the meeting that in the first five months of the current year Siemens had not seen any thorough revival in domestic new orders, while foreign orders continued to fall.

He predicted that the company would have to struggle to raise its sales above last year's DM 40bn. He indicated, however, that profitability should be maintained, adding that profit margins, which rose to 1.8 per cent of sales in the first quarter, should stay around these levels.

Market Report, Page 31

Philips asks for tariff on audio discs

Continued from Page 1

ropean market with competing audio disc systems at cut-rate prices.

Sony of Japan, which helped Philips to develop the audio disc technology, is deeply bitter about the tariff move. But Philips' official response is that higher tariffs are necessary while much of Japan's market remains inaccessible to European exporters.

The EEC Commission must obtain agreement to change the tariff in the General Agreement on Tariffs and Trade (Gatt). This may prove a lengthy process because other countries, including Japan, are likely to seek EEC concessions in exchange.

Philips expected to increase its VCR production by 30–40 per cent this year, and claimed that its V-2000 system had captured more than 20 per cent of Continental markets. It did not expect to raise its VCR prices as a result of the recent Japanese undertaking to observe a "floor price" for exports to the EEC.

It was confident that Japanese manufacturers would back a new international standard for a new generation of 8mm VCRs. But it would not say whether it would be prepared to replace its range with products designed to the new standard if Japanese companies hesitated over applying it to their products.

Mr Jeelof said that talks on setting up a joint telecommunications venture with American Telephone and Telegraph were going well, and a firm agreement was expected later this year.

Japanese to ease rules on imports

Continued from Page 1

nounced in January when the Government announced a further imports liberalisation package.

Since then, a special Liaison and *Co-ordination Headquarters* on Standards has met three times under the chairmanship of Japan's Chief Cabinet Secretary, Mr Masaharu Gotoda, to consider reforms.

Apart from changing the law to eliminate discrimination against foreigners, the Government proposals are expected to aim at increasing understanding of official procedures for drafting standards.

A directory of government drafting procedures may be published with this in mind. The Government is also thought to be planning to simplify some non-legal requirements for the testing of imported goods.

One case concerns the procedure known at "type designation" of imported cars.

Foreign car makers seeking blanket approval for the import into Japan of one car model now must spend up to seven months undergoing complex procedures which include submission of up to 500 pages of documentation. The revised testing procedure may take as little as two and a half months once the new *measures have gone through*.

A final section of the Government's programme for reforming test procedures may deal with acceptance by Japan of foreign test results on items such as pharmaceuticals and agricultural chemicals. Japan may commit itself under the new proposals to accept most foreign pre-clinical test data on pharmaceuticals but will probably continue to insist that tests on patients be conducted separately in Japan.

Japanese officials are thought to be sceptical about the impact the measures will have on reducing Japan's trade surpluses with advanced trading partners.

They do apparently believe, however, that by being seen to be fair in the treatment of foreign goods, Japan should be able to avoid some of the disputes over specific import times that have been frequent in past.

U.S. chance for Britoil

Continued from Page 1

and Norwegian sectors of the North Sea.

Britoil also announced yesterday that the third well drilled in block 31/26 had yielded a very promising test flow rate of 8,500 barrels of oil a day, with no water, through a half-inch choke.

The first well in this block was halted in February 1981 after oil traces had been found and a second well abandoned in March 1982.

Both are in fairly close proximity to the successful strike announced yesterday from a well which was spudded in on January 22. It was drilled by the semi-submersible rig, Treasure Swan.

Britoil said that further appraisal would be necessary to establish the significance of the discovery.

Airlines likely to lose $2bn

By Michael Donne, Aerospace Correspondent

ALTHOUGH the recent cut in crude oil prices by up to $5 a barrel to $29 will help eventually to alleviate the world's airlines' fuel bills, crude prices will have to fall much further before the air transport industry can break even or return to profits.

Mr Knut Hammarskjöld, director-general of the International Air Transport Association, said in Vienna yesterday that the airlines were likely to lose up to about $2bn. This year, of which interest payments would account for about three quarters.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	R	13	55	Dubrovnik	F	15	59	Malaga	F	20	68	Salzburg	S	16	61
Akrotiri	S	17	63	Faro	F	17	63	Malta	F	20	68	Seoul	F	14	57
Algiers	R	16	61	Florence	C	11	52	Manila	S	35	95	Singapore	S	34	93
Amsterdam	R	7	45	Frankfurt	F	11	52	Miami	R	21	70	Stockholm	F	4	39
Athens	S	18	64	Funchal	C	16	61	Milan	R	15	59	Strasbourg	F	16	61
Bahrain	S	22	72	Geneva	C	15	59	Moscow	C	3	37	Sydney	S	29	84
Bangkok	S	36	97	Gibraltar	C	15	59	Munich	F	15	59	Taipei	C	24	75
Barcelona	R	11	52	Guernsey	C	6	43	Nairobi	F	30	86	Tangier	C	12	54
Beirut	S	17	63	Helsinki	F	1	34	Naples	C	15	59	Tehran	—	—	—
Belgrade	C	15	59	H. Kong	C	22	71	New Delhi	S	27	81	Tel Aviv	F	15	59
Berlin	C	12	54	Innsbruck	F	3	37	New York	F	6	43	Tenerife	S	20	68
Biarritz	C	11	52	Inverness	R	5	41	Nice	R	12	54	Tokyo	C	15	59
Blackpool	R	6	43	Istanbul	S	18	64	Oporto	R	12	54	Toronto	F	-2	28
Bordeaux	R	11	52	Jersey	R	5	41	Oslo	F	5	41	Tunis	C	21	70
Brussels	C	7	45	Jo'burg	S	26	79	Paris	R	8	46	Valencia	F	18	64
Budapest	S	15	59	Las Palmas	C	19	66	Prague	F	13	55	Venice	R	12	54
B. Aires	R	26	79	Lima	R	29	84	Reykjavik	Sn	-2	28	Vienna	S	16	61
Cairo	S	25	77	Lisbon	C	15	59	Rio de J'o	S	27	81	Warsaw	C	15	59
Cape Town	S	23	73	Locarno	R	9	48	Rome	C	17	63	Zurich	C	14	57
Caracas	S	33	91	London	R	6	43								
Casablanca	C	17	63	Los Angeles	R	20	68								
Copenhagen	R	6	43	Luxembourg	C	8	46								
Corfu	F	18	64	Madrid	F	15	59								
Dublin	S	6	43	Majorca	C	15	59								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Snow Report

EUROPE

Anzere (Sw)	25– 75 cm	New snow above 2000m
Crans (Sw)	15– 80 cm	Worn patches on lower slopes
Grindelwald (Sw)	5– 10 cm	Good snow on upper slopes
Isola (Fr)	130–180 cm	Recent snow storms
Murren (Sw)	40–160 cm	Good on north facing slopes
La Plagne (Fr)	135–150 cm	Pistes still remarkably good
St. Anton (Aus)	30–260 cm	Good skiing above 2000m
Sauze d'Oulx (It)	2–100 cm	Fair skiing above 2000m
Tignes (Fr)	110–203 cm	Still good skiing

European reports from Ski Club of Great Britain representatives.

THE U.S.

Aspen (Col)	13– 62 ins	Packed powder. Some new snow
Hunter (NY)	12– 72 ins	31 trails, 13 lifts open
Squaw Val (Cal)	84–228 ins	Powder/packed. New snow.
Stowe (Vt)	0– 40 ins	Loose and frozen granular

Figures indicate snow depths at top and bottom stations.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday March 25 1983

Philips and Thomson to talk on joint venture

BY WALTER ELLIS IN AMSTERDAM

PHILIPS, the Dutch electronics giant, expects to open negotiations as soon as possible this year with Thomson-Brandt of France with a view to the joint production of home electronics.

Dr Wisse Dekker, Philips chairman, said that the emphasis would be on his company's V2000 videocassette recorder, its compact disc sound reproduction system and digital television.

"It is not a case of a merger or a joint venture," said Dr Dekker. "Nor would it concern basic pre-competition technology, such as we are to have with Siemens. Any deal with Thomson-Brandt would be more practical, aiming at short-term results."

Philips does not at present cooperate with Thomson-Brandt in any sphere. Only this month it effectively prevented Thomson from acquiring a majority stake in Grundig of West Germany. Philips has owned 24.5 per cent of Grundig since 1977 and, by refusing to sell its shares, undermined Thomson's bid for control.

The West German Federal Cartel Office (BKA) did not consider it proper that Grundig should form part of what would have become a near monopoly of the European electronics industry.

Notwithstanding this recent rivalry (for Philips, too, has eyes on Grundig), Dr Dekker believes that the time is ripe to give practical expression to his belief in European industrial cooperation.

He will, of course, be aware that if Philips' V2000 system does not win widespread acceptance in Europe it cannot hope to compete with the Japanese, and the one way for that acceptance to be assured is for production to be as broad-based as possible.

Philips and Grundig are currently the only V2000 manufacturers, and a deal with Thomson would possibly add a vital third arm. The fact that Thomson is a French, state-owned corporation and that France has been making it difficult for the Japanese to export video recorders could only add to its attraction.

Specifically, what Philips wants to discuss with Thomson-Brandt is its likely involvement, through a brand-new stake in West Germany's Telefunken group, in video recorder assembly in West Berlin. Telefunken is cooperating in Berlin with the Japanese JVC Company, whose VHS home video system is the main rival to the V2000. If Thomson would agree to build V2000 machines instead, Philips would have made an important breakthrough.

However, Dr Dekker is not only interested in the V2000. The Philips' compact disc system, launched this month in Europe, could become a key money-earner for the company, if only it can keep its Japanese rivals at bay.

Thomson-Brandt, by agreeing to join the manufacturing process, could help here, and the same is true of high-definition, digital television, which is expected to dominate the television market by tha 1990s.

Of the situation with Grundig, Dr Dekker is very clear. He admits that Philips remains very interested in the German concern. "But the initiative must come from Grundig. Sooner or later, Max Grundig (the founder-controller of Grundig) must make up his mind about his shares.

"He will be 75 in May – although he is extremely fit – and he has no obvious successor. It is well known that we always wanted more than 24.5 per cent. But we will not approach the Bundeskartellamt without a firm proposition."

Thomson brings forward VTR plans

By David Marsh in Paris

THOMSON-BRANDT, the nationalised French electronics group, plans to start production of video tape recorders, using Japanese technology, around two years earlier than originally expected, according to industry officials in Paris.

Although details have still not been decided Thomson appears likely to convert facilities in its European production network to manufacture the equipment by around the beginning of next year.

This compares with the original goal set by M Jean-Pierre Chevenement, the former Research and Industry Minister who has just left the Government, to set up a new plant to make around 1m VTRs a year by 1986.

Thomson's new plans centre on the use of the VHS standard developed by the Japanese electronics company JVC, from which the French group purchases VTRs for sale on the domestic market.

In the wake of the aborted takeover bid for Grundig of West Germany, owned 24.5 per cent by Philips of the Netherlands, plans to collaborate on the Philips/Grundig V 2000 standard have been abandoned.

Thomson is holding talks with Philips, along with other international electronics groups including the Japanese, about possible cooperation on the planned 8mm standard video equipment, including VTRs and cameras.

But the French group maintains that no accord of any sort has been reached with Philips on the "new generation" 8mm standard.

Thomson believes that Philips, by advancing again ideas about European cooperation on the new standard, is trying to compensate for the widespread impression that it sabotaged the proposed pan-European Thomson-Grundig link-up by refusing to withdraw from the German group.

AT&T discussions progress

BY OUR AMSTERDAM CORRESPONDENT

TALKS BETWEEN Philips, the Dutch electronics group, and American Telephone and Telegraph (AT&T) of the U.S. over the planned formation of a joint venture in the field of digital switching systems, are said by Philips to be continuing "in a positive manner."

The talks began in January and there has been speculation that they have not proceeded as smoothly as was hoped.

Mr Geert Jeelof, a member of the Philips board and head of its telecommunications division, said this week during the presentation of the group's 1982 annual report, that it was still hoped to make an announcement soon on the shape of the new venture.

Mr Jeelof was more cautious about the order from Saudi Arabia for the provision of telephone equipment, placed provisionally with a joint venture linking Philips and Ericcsons of Sweden.

The order would be a follow-up to a world record Fl 12bn ($4.4bn) contract for the supply of an entire new telephone network, secured by Philips and Ericcsons in 1977.

Mr Jeelof confirmed that an agreement in principle had been reached on the follow-up, but he warned that even the Saudis had cash problems and were not yet able to give their final approval.

The annual report looks ahead to a volume growth in sales this year greater than the 4 per cent recorded for 1982. "However, it is again quite clear that this growth will be comparatively less than the increase in productivity essential for an improvement in profits."

Philips says that because its structural reorganisation plans are still only two thirds completed, the number of employees must be further reduced this year.

On January 1 last year, Philips employed 347,400 workers in 64 countries. By December 31 this had been cut to 336,200. The restructuring had cost Philips Fl 10bn worldwide so far, which is more than expected.

This year, Philips expects to make substantial further investments in the products and product processes fields to add to the Fl 2.4bn invested in 1982.

Occidental sells large part of Cities Service

BY WILLIAM HALL IN NEW YORK

OCCIDENTAL PETROLEUM, the large Los Angeles-based oil company, is selling the refining, marketing and transportation operations of Its Cities Service subsidiary to Southland Corporation, the biggest convenience store operator in the U.S., in a deal totalling $920m.

Southland, which already sells petrol in 40 per cent of its 7,300 stores, will issue 9.3m shares to Occidental, which will give the oil company a 20 per cent stake in Southland. On Wednesday night, Southland shares stood at $27.62, which values Occidental's stake at $257m.

In addition, Southland will purchase certain refined products and miscellaneous stocks for its own account, which are estimated to cost $310m.

Meanwhile, Occidental, which paid $4bn for Cities Service in 1982, will sell for its own account further inventories with an estimated market value of $360m. Occidental intends to retain the natural gas liquids business and the related Dixia pipeline and about 4,000 acres

As part of the deal, Southland will acquire the retail service station operation of Cities Service, which has 961 outlets, of which 350 are Southlands Quik Mart stores.

Mr John Thompson, Southlands chairman, said yesterday that the acquisition was a natural one for his company. Last year, it became the biggest independent gasoline retailer in the U.S., selling 1.2bn gallons.

CNR in talks over Cast

BY ANDREW FISHER, SHIPPING CORRESPONDENT IN LONDON

CANADIAN National Railways, owner of 18 per cent of the Cast container operation which was rescued from near collapse last year, is close to agreement with both Cast and the small breakaway Sofati line over rationalisation of the excess capacity on North Atlantic shipping routes.

An announcement of the outcome, which could lead to full or partial changes of ownership of both lines, is expected in the next few days.

Mr Frank Narby, head of Cast and normally based in Switzerland, was believed to be in Canada for talks yesterday, though his Fribourg office declined to say where he was or to comment on the talks.

Nor was any comment forthcoming from Sofati, formed last autumn by former Cast employees and 75 per cent owned by Mr Michel Gaucher, a 39-year old French-Canadian businessmann with an engineering and legal background.

Shipping executives in the UK and Canada believe the CNR, keen to bring more order into the depressed Atlantic market, could acquire Sofati and maybe tighten its grip oo Cast's operatioos. Mr Narby owns 81 per cent of tha shares in parent Eurocanadian Shipholdings, based in Bermuda.

CNR was heavily involved in last April's $200m rescue package for Cast, which had expanded heavily in new ships as the shipping slump began to bite.

Syncor stake for French agency

BY OUR NEW YORK STAFF

OFFICE des Rayonnements, Ionisants (ORIS), the health care division of the French Atomic Energy Commission, is paying $24.2m for a 30 per cent stake in Syncor International Corporation, a small Californian company which distributes advanced medical products.

The move marks the first step by the French agency into the fast growing U.S. biotechnology market. Syncor will be granted exclusive distribution rights to some 200 of the French agency's biomedical and industrial products. Oris will gain access to the U.S. market through Syncor's network of 31 nuclear pharmacies which serve over 1500 hospitals and clinics in the U.S.

Oris will purchase 2,475,346 new shares in Syncor and additional 500,000 shares from other shareholders at a price of $8.15 per share. Syncor will recieve $20m which it will use to help introduce Oris's products to the U.S. market and to expand its direct sales force.

Mr Mark T. Hebner, President of Syncor, says that "the new products, financial strength and additional human and technical resources provided by this agreement give Syncor the opportunity to become a major factor in the biotechnology industry.

"Oris is a French leader and significant world supplier in the fields of radiopharmaceuticals, radiotherapy and other applications of radiation technology."

Oris employs 800 staff including 150 scientists and manufactures in-vitro test kits, in-vivo diagonstic agents and precision radioactive calibration devices used in industry

AMC puts military offshoot up for sale

By Our New York Staff

AMERICAN MOTORS, the smallest of the U.S. car makers and 46 per cent owned by Renault of France, is planning to sell AM General Corporation, the world's leading producer of military vehicles, to raise cash for product development.

The company disclosed that the unit, which has an order backlog of $1bn, was up for sale in a registration statement filed with the Securities and Exchange Commission covering its proposed sales of 5m common shares.

It also told the SEC that it foresaw a need for $1.6bn from 1984 until 1987 to meet its financial requirements. Of this total, it expected to raise $1.1bn internally, and $500m from Renault, banks, foreign export financing and from the sale of AM General.

The company waroed that failure to obtain any part of tha financing from external sources would hit its new product programme, and this in turn would have an adverse impact oo the company.

American Motors said it was putting AM General up for sale because it had concluded that it was in the company's best interest to concentrate its management effort and capital resources on its general automotive business.

The sale would be dependent on an acceptable price and an acceptable buyer. It would also be subject to U.S. Government recognition because of AM General's substantial government contracts.

AM General is the only profitable part of American Motors, contributing pre-tax earnings of $78.7m in 1982.

Last year, American Motors made a net loss of $153.7m and is forecasting a "substantial operating loss in the current year."

Saba group sees fourfold earnings rise

By David Brown in Stockholm

J. S. SABA, the Swedish retail and wholesale trading group, boosted 1982 earnings more than fourfold to SKr 121m ($16m) from SKr 28m the previous year.

Extraordinary items of SKr 102m from property sales and restructuring brought profits to SKr 223m before allocations and taxes, against SKr 352m.

Total sales grew 11 per cent from SKr 15.5bn to SKr 17.3bn. The bulk of group earnings are customarily generated in the final four months of the year. The group posted losses of SKr 47m at the eight month stage on sales of SKr 6.5bn.

Saba's retail stores showed pre-tax earnings of SKr 11m, against losses of SKr 76m the previous period. Year-end retail sales grew 12 per cent to SKr 10.4bn, and volume growth at 1.5 per cent outpaced the national average of 0.6 per cent. Again, the bulk of group earnings was generated by the wholesale units, Dagab and Saba Trading.

The result was attributed mainly to restructuring and productivity improvements in the retail units. The company sold both raal estate and its majority interest in the NK retail unit, retaining a 45 per cent share. Net financial charges were down from SKr 282m to SKr 222m.

The board recommends a dividend of SKr 7, plus a 1 krona bonus, on each common stock, against SKr 6 the previous year. The dividend on preferred shares was stable at SKr 3.50. The group is to make a bonus issue of one new common stock for every old.

The 1982 report states the current year outlook is problematic, with a decline expected in retail volume.

Strong new order inflow at Linde

BY JOHN DAVIES IN FRANKFURT

LINDE, the West German process plant and engineering group, has attracted a strong inflow of new orders despite general economic recession.

New orders booked last year increased 16.3 per cent to DM 2.57bn ($1.06bn) boosted in particular by big natural gas and petrochemical projects gained from Norway and the Soviet Union.

The inflow has been even greater in the first two months of this year, up 45 per cent to DM 520m.

Although the order book at the end of December was slightly slimmer than a year earlier, it had picked up to DM 2.8bn at the end of last month, 12 per cent greater than a year ago.

Linde's sales revenue rose 1.1 per cent last year to DM 2.51bn, with the export contribution surging from 33 per cent to 43 per cent.

Operating profits were 12 per cent higher, while pre-tax profits, affected notably by higher pension provisions, were 5 per cent up at DM 127.3m. A dividend of 18 per cent is proposed for the fourth year in succession.

Including foreign subsidiaries, world sales revenue edged down to DM 3.05bn, although the company said that half of this decline resulted from currency factors which restrained tha D-Mark value of foreign earnings.

Linde continued to suffer a loss at Baker Material Handling Corporation, the U.S. fork lift truck manufacturer.

Dr Hans Meinhardt, Linde's chief executive, declined to disclose Baker's loss, but said that sales revenue slipped about 20 to 25 per cent to $36m in the severely depressed U.S. market.

He said Baker had introduced new products and was poised to take advantage of an upturn in market conditions. Linde also incurred a loss at its Matra-Werke machine tool subsidiary

IRI banks lift full-time earnings

BY JOHN PHILLIPS IN ROME

CREDITO Italiano and Banco di Roma, Italy's third and fourth largest commercial banks, which are controlled by the state conglomerate, IRI, yesterday both reported earnings for last year at virtually the same level as in 1981.

Net profits at Credito Italiano climbed to L42bn ($29m) in 1982 from 37.5bn in 1981. Banco Di Roma'a fell slightly to 29.3bn from L31.6bn in 1981.

Credito Italiano proposed a dividend of L85 for shareholders and Banco di Roma a dividend equivalent to 14 per cent.

The relatively healthy results – profits doubled in 1981 – suggest that whatever the pressure on bank deposits in real terms last year, with customers expected to shift money to higher yielding treasury bills, it has probably been offset by the wida spreads operated between rates charged to borrowers and those paid to depositors.

Solid growth shown by Bahrain bank

By Mary Frings in Bahrain

TRANS-ARABIAN Investment Bank (TAIB) a Bahrain-based private institution established in 1979 by Saudi businessmen, has announced a 73 per cent improvement in profits for 1982, and a phased capital increase to $100m, starting in June this year.

Profits of $6.6m represented a return on average equity of 16.3 per cent. Net interest income was almost doubled, syndications and guarantee fees were up 64 per cent, and foreign exchange income was up 48 per cent. Three-quarters of its $63.5m advances were in Saudi Arabia, with the balance diversified internationally in short-term trade transactions.

Exposure to Mexico and Brazil amounted to $3m or 5 per cent of equity, plus $4m of Mexican short-term risk participations.

TAIB'S annual report notes that total assets net of contingencies were only 3.5 times the capital funds, reflecting the bank's policy of maintaining a strong capital base.

A capital increase in June 1982, subscribed in part by seven new Saudi shareholders, increased paid-up capital from $31m to $50m.

Meanwhile, profits at Al Bahrain Arab African Bank (ALBAAB) also increased in 1982 by 64 per cent to $18.2m. The locally-incorporated Bahrain offshore banking unit's (OBU) return on average assets improved from 1.32 per cent to 1.51 per cent.

The balance sheet shows total assets (excluding contra items) of $1.39bn, up 22 per cent.

Sparkle returns to Perrier group

BY PAUL BETTS IN PARIS

THE SPARKLE has returned to the earnings of Source Perrier, the leading French mineral water group, whose consolidated earnings rose by 39 per cent in the latest financial year ended September 30, 1982 to FFr 116.8m ($16.4m) from FFr 83.4m the previous year.

M Gustave Leven, the company president, said the strong earnings increase after three years of relatively flat profits reflected for the first time the benefits of the group's recently completed investment programme.

This programme involving about FFr 800m over a four-year period had been largely financed by external borrowing which in turn acted as a drag on past profits.

M Leven also reported that the Source Perrier holding company had a 54 per cent increase in profits to FFr 92.3m in the latest year, compared with FFr 60m the previous year.

He also ventured a bullish forecast for the current year, saying he expected the company to earn between FFr 24 to FFr 28 per share in 1983, against FFr 16.60 per share in the latest financial year.

Perrier, which does not disclose sales figures on competitive grounds, said the latest rise in earnings also reflected stronger sales.

The company, which is just beginning to penetrate the Japanese market and has reached an agreement with the large Japanese distribution group Suntory, said exports accounted for more than 41 per cent of all shipments last year.

Perrier said it was continuing to enjoy success in the U.S. where sales continued to advance and now accounted for 85 to 90 per cent of the entire market.

The French group owns Poland Spring on the U.S. East Coast, Calistoga on the West Coast, and Oasis and Puro in Texas. These subsidiaries saw their sales advance by 30 per cent last year.

M Leven also said the company planned to make substantial efforts to turn tha Caves de Roquefort company, of which it holds the majority interest, into a leader in the French cheese industry.

Higher depreciation lowers profits at Kirin Brewery

BY YOKO SHIBATA IN TOKYO

KIRIN BREWERY, Japan's largest beer producer, with more than 60 per cent of the domestic market, reported a slight setback in its unconsolidated net profits, down by 6.8 per cent to Y18.8bn (US$79m) in the year ended January 31. Higher depreciation charges and higher research and development expenditures are given as the reason for the fall.

Unconsolidated full-year pre-tax profits were almost unchanged, up by 0.5 per ceot to a record Y45.2bn on sales of Y1,042bn, wbich were 5.8 per cent higher. Profits per share were Y21.94, compared with Y25.24 previously.

Beer sales rose 2 per cent by volume, thanks to a sales recovery during the warm autumn and mild winter and to strong sales of the newly introduced mini-aluminium barrel draught beers (2 to 3 litre). Beer sales, by value, rose by 6.3 per cent to Y970bn. However, sales of other refreshments and foods were down by 0.3 and 0.5 per cent respectively.

Significantly, the company became the first food manufacturer to join the group of companies with annual salea over the Y1,000bn tevel.

The setback in net profits were partially attributed to the new pension funds which tha company put aside in tha special loss account.

In the current fiscal year, to January 1984, beer sales are expected to grow 3 per cent io volume, aided by the introduction of canned "draughi beer" and a sales boost for the mini-barrels.

Sales by value are expected to reach Y75bn, up 3.2 per cent. Owing to higher costs, operating profits are expected to drop by 0.5 per cent to Y45bn.

Because of bigher depreciation charges resulting from the rompletioo of new Sendai plaot thia April, the group's full-year net profits are expected to drop by 4 per cent to Y18bn, but the company expects to peg its annual dividend at Y7.50

Bank Al Jazira lifts earnings by 28%

By Our Riyadh Correspondent

BANK AL JAZIRA reports net earnings of SR 110m ($32m) for 1982, which translates into SR 7m profit remittance for its parent bank, the National Bank of Pakistan.

The Jeddah-based bank, which was the first in 1976 to accept "Saudi-isation," increased its assets by 37 per cent in 1982 to SR 4.4bn and its earnings by 28 per cent to SR 110m, or SR 110 a share.

The results for the year, which is likely to be the last of the boom years for the Saudi banks, gave the Pakistani-managed bank a return on end-of-year assets of 2.5 per cent. This compares with 3.2 per cent and 4.1 per cent for Saudi Arabia's two "go-go" banks, Saudi American and Arab National, both of which have already reported 1982 results.

Al Jazira's deposits rose 41 per cent to SR 4bn, white loans and advances rose by a third to SR 1.7bn. Deposits with banks abroad, primarily interbank placements, jumped 69 per cent to SR 2.2bn, meaning exactly half its assets are offshore.

The bank's capital base, defined as paid-in capital plus reserves, was boosted by 16 per cent to SR 253m when a quarter of the year's net was transferred to statutory reserves.

Ceiling exceeded

The capital base is a key barometer of a Saudi bank's health because the Saudi Arabian Monetary Agency ties most of its regulations to capital. For instance, in Al Jazira's case, the enlarged capital base means a higher legal lending limit to a single client of SR 63.5m and a new deposit ceiling of SR 3.8bn.

Al Jazira has been battling with a low capitalisation for the past few years, and its deposits have again exceeded the ceiling. Article Six of the Banking Control Law requires that half the deposits in excess of the ceiling be placed with the Saudi Arabian Monetary Agency as interest-free penalty reserves.

Management set aside SR 20m as the tax obligations of its foreign parent, which must pay a 45 per cent corporate income tax since its five-year tax holiday expired in 1981. But its 1982 tax payment has been indefinitely postponed until a Ministry of Finance Committee completes its review of a tax fomula. A letter was issued to that effect earlier this week.

Strong gain for Singapore steel group

By Georgie Lee in Singapore

NATIONAL IRON and Steel Mills, the leading Singapore steel mill, is making a one-for-two scrip issue in order to raise its issued capital to S$63.5m (U.S.$30.5m). At the same time the company is maintaining the total dividend at 25 per cent for 1982 on existing capital with a final payment of 12 per cent gross.

NISM also reports a 29 per cent rise in group pre-tax profits for 1982 to S$49.1m. Group net profits rose 26.5 per cent to S$28.6m.

Operating profit went up sharply, by 41 per cent to S$45.7m, although turnover rose by only 5.6 per cent to S$355.7m.

Japan considers giving Latin America yen loans

TOKYO—The Japanese Finance Ministry is considering a proposal from banks that they should be allowed to supply syndicated yen loans to some Latin American countries to help them solve their financial problems.

The banks want to give Brazil, Mexico, and Argentina yen-syndicated loans to replace part of the dollar loans they plan to supply to them.

The Ministry will probably make a decision on the proposal by mid-April.

Bankers said that the amount of Japanese bank loans to Latin American couotries are $826m for Mexico, $727m for Brazil and $225m for Argentina.

Japanese banks would prefer yen loans because they will have little difficulty in raising yen funds, and their profit margins are generally larger for yen loans.

They also may not be able to raise dollar funds easily if their needs are concentrated in the first quarter (April to June) of fiscal 1983.

The Finance Ministry recently tightened its guidelines requiring Japanese banks to match part of their participation in dollar syndicated loans with medium- and long-term funds.

Yen loans should also be welcome to borrower nations, because interest rates are tower than for dollar loans. The present interest rate for most yen syndicated loans is 8.6 per cent, 0.2 points above Japanese long-term prime lending rate. Reuter

Green Island Cement decline

BY ROBERT COTTRELL IN HONG KONG

HONG KONG'S Green Island Cement company has reported 1982 profits almost two-thirds down at HK$33.3m (US$5m), against HK$93.7m previously.

But attributable profits were boosted by an extraordinary gain of HK$103.5m, reflecting profits on a property transaction after offsetting a HK$65m provision against shipping investment losses and a HK$40m provision against investments in associate companies.

A final dividend of 70 cents a share maintains the full-year payout at HK$1.30.

Mr Li Ka-Shing, Green Island's chairman, said the group was hit by poor weather, import competition, and a weaker local currency. He expected the coming two years to be difficult with profits and dividends "greatly affected," but said that the group has a sound financial base. Mr Li's property group Cheung Kong (Holdings) which reports next Wednesday, holds 28.5 per cent of Green Island.

● China Motor Bus, one of Hong Kong's two franchised bus services, reports interim profits for the six months to December 31 1982 of HK$18.5m, against HK$32.5m earned in the previous year's first half. CMB says it will pay an interim dividend of 18 cents a share, and a special bonus of 5 cents.

UK COMPANY NEWS

Tricentrol profits and dividend maintained

DESPITE AN increase in sales from £88.6m to £103.3m, taxable profits of Tricentrol, the oil and gas exploration and production group, were unchanged at £45.9m for 1982.

Operating income rose by £2.7m to £49.6m, but this was offset by higher interest charges on net borrowing increased to support the group's North American expansion.

Net income advanced from £15.2m to £18.3m, after deducting £26.9m (£20.7m) for Petroleum Revenue Tax (PRT), and Supplementary Petroleum Duty (SPD) and £0.7m (£10m) for corporation taxes.

Earnings per 25p share increased by 1.7p to 25.5p on a previous year adjusted basis, while the dividend—on the increased capital—is maintained at 8.4p net with an unchanged final of 5.6p, as forecast at the time of the £28m rights issue.

Dividend costs rose form £5.1m to £6.6m in 1982 as a result of an increased number of shares in issue, leaving retained profits for the year of £11.7m, compared with £10.1m.

The group's 1982 sales and operating income was split geographically as to: oil and gas sales UK £81.1m (£73.4m) and income £42m (£40.4m); Canada £10.6m (£7.3m) and £3.5m (£2.2m); U.S. £11.6m (£7.9m) and £2.5m (£3.2m) Oil trading income was £1.6m (£1.1m).

Comparative figures for 1981 have been restated to take into account a change in accounting policy on depletion during the year. In a continuing attempt to match costs to revenue, the acquisition cost of undeveloped properties and the development cost of properties not yet producing have been excluded from the cost pool in calculating depletion. If this policy had been in place in 1981, profits then declared would have been increased by £0.8m.

The directors have also reviewed the method of estimating the change both to UK production taxes (SPD and PRT) and to corporation taxes. So far as production taxes are concerned it was felt, partly as a result of changed tax legislation, that Tricentrol was providing for these taxes on a basis which was not sufficiently prudent unless the sterling value of oil continued to increase steadily.

The calculation of production taxes expected to be borne over the remaining life of the field and the proportion charged to the current period is now based upon non-escalated prices and costs, resulting in the charge being less related to income in the later years.

On corporation tax the directors have concluded that, bearing in mind the level of future North Sea expenditure, sufficient tax has already been provided and no further provision for deferred tax would be needed.

The provision for UK taxes for the year, by way of Government royalty and production taxes amounted to £34.5m (£27.4m) representing 69.8 per cent (58 per cent) of the group's UK profits before tax and royalties. If corporation tax is taken into account, the Government take rises to 74.1 per cent (61.3 per cent).

Group cash flow from operations totalled £83.7m, compared with £67.5m in 1981, before tax payments of £25.2m (£8.3m). Cash flow per share increased from 106.2p to 116.5p.

The group had an active year in 1982 and the board intends to maintain the maximum level of activity which it says can be sensibly absorbed by available cash flow and a prudent level of borrowing.

HIGHLIGHTS

Lex comments on yesterday's disappointing trade figures for February before moving on to examine the implications of **Cable and Wireless** buying a 35 per cent stake in **Hong Kong Telephone** which increases the group's exposure to the colony but will provide a short-term fillip to earnings. The column then concentrates on the annual report from **Commercial Union** where there is an implicit guarantee of a maintained dividend for the current year. Lex finally looks at the higher, and final, offer to come out of the **Bassishaw** camp for beleagured **UDS**. All eyes were on **Hanson**, the rival bidder to the Heron lead consortium. Elsewhere on the retail scene **Waring and Gillow** announced that it too might become the subject of a bid and the shares shot up 22p to 140p.

● comment

Tricentrol was giving no clues yesterday to help explain the abruptness of its chief executive's departure, while the profit and loss statement contained no surprises — the changed tax policies had already been announced. Revenues, boosted by the weakness of sterling, showed much the same distribution pattern as in 1981. Higher interest expenses in the U.S. appear to have more than offset the lower price of drilling rigs and other cost savings in North America. The jump in Tricentrol's PRT bill suggests why the company should be a notable beneficiary of the North Sea tax changes — which will allow appraisal drilling costs to be offset against PRT—and gearing still looks sound relative to others in the sector: assuming cash of £37m, net debt stands around 33 per cent of shareholders' funds. The shares, unchanged at 158p, yield 7.8 per cent.

BBA advance slows in the second half

TAXABLE PROFITS of BBA Group, the Yorkshire-based manufacturer of friction materials, conveyor belting and industrial textiles, advanced to £4.55m for 1982, an improvement of 27.8 per cent over the previous year's £3.56m.

However, the directors point out that as expected at the interim stage, the momentum of activity in the first half of the year was not maintained during the latter part—interim profits reached £3.1m (£864,000) helped by special factors in a number of companies.

These factors were not expected to continue through the second half but a substantial improvement in the full year figures was anticipated.

Following the cost reductions that have taken place in operating companies and "some encouraging signs that a recovery from the recession is on its way", the directors expect profits for the current year to show an improvement.

Meanwhile, they are holding the dividend for 1982 at 1.74p per 25p share by a same-again final of 0.9p—earnings per share were up from 1.54p to 2.14p.

Group turnover for the year improved by 15.5 per cent to £150.9m with sales from the UK 11.6 per cent higher and those of the overseas companies ahead by 18.4 per cent [illegible]

Exports from the UK increased by 19.4 per cent, representing 24.4 per cent of sales of UK companies and marking a recovery of the ground lost in 1981.

The balance from trading rose from £11.22m to £12.2m, an increase of 8.7 per cent, although the margin on sales dropped slightly to 8.1 per cent.

The UK companies again made a loss at the pre-tax level but at £279,000 the figure was substantially less than the previous year's £754,000. Profits of the overseas companies advanced by almost 12 per cent helped again by a weaker pound against overseas currencies.

Tax charge rose to £3.32m (£2.65m) but minorities added £12,000 (took £10,000).

After an extraordinary debit this time of £663,000 and a loss last year of £1.24m on the sale of a subsidiary, there was an attributable surplus of £581,000, compared with a deficit of £342,000.

● comment

The hopeful signs of a year ago disappeared for BBA in the UK and North America. Midyear recovery to £½m at Mintex was replaced by a more than £½m second half loss despite 200 redundancies and concentration of production. The 1982 pre-tax result was struck after £½m surgery costs, but currency translation provided an 8 per cent pre-tax advance. Germany remains a strong performer, South Africa is only just beginning to show a weakening of demand and the Australian associate is in good form. However while some price increases may be achieved they will be difficult to make in the UK and improvement here will have to come from internal efforts. By containing spending within cash flow group borrowing has been kept in check leaving scope to fund a real upturn in demand when it occurs. Meanwhile approaching breakeven is likely in the UK but with general demand remaining flat the outlook in 1983 is for only a small advance leaving the pre-tax total still far short of the 1979 £8.2m peak. Though the group says the "asbestos scare" tag, which has damaged the share price in the past, is unfounded in its case, external factors may continue to affect market reactions. Yesterday the shares remained unchanged at 35p for the uncovered dividend to yield 7.3 per cent.

SLOUGH ESTATES

The UK rental increase at Slough Estates was 9.6 per cent and not 1.6 per cent as reported yesterday.

Sharp recovery for Black & Edgington

Substantial reorganisation over the past two years and "spectacular" results by its tour operating subsidiary enabled leisure group Black & Edgington to stage a sharp recovery for the 12 months ended December 31 1982.

However, no dividend is being recommended for the year (0.1p) but the directors hope to be able to consider an interim payment for 1983 if results for the current half year fulfil expectations.

At the pre-tax level profits totalled £1.1m, a swing of £2.58m from the deficit of £1.48m reported for 1981, with the second half contribution well ahead at £959,000, compared with a loss of £921,000 previously.

Turnover advanced to £55.3m (£53.4m). Interest charges took £1.19m (£1.31m), associates added £118,000 (£128,000), tax paid increased to £292,000 (£82,000), minorities accounted for £171,000 (£64,000) and non-trading and extraordinary debits totalled £376,000 (£774,000).

Available profits emerged at £262,000, against a previous loss of £2.4m. Earnings per 50p share stood at 3.35p (8.69p loss).

Mr Garry Moodie, group managing director, says he is confident that a continuation of rationalisation and development plans will produce a further improvement in profits.

He reveals that bookings of the tour subsidiary, Insight International Tours, which more than doubled its profits during 1982, are already showing a marked improvement over last year and that the recently-announced acquisition of Evan Evans, the London sight-seeing operator, promises "an exciting future."

Utico Holdings

The London Stock Exchange listing of South African company Utico Holdings is to be cancelled and its English register will be closed in May. Utico's listing on the Johannesburg Stock Exchange will continue.

Bemrose hits target with £0.7m increase

AS A RESULT of the expansion in security printing, the investment in latest technology, the raising of business efficiency and the reduction of costs, Bemrose Corporation has made a significant advance in profits and earnings for 1982.

In line with the forecasts made last June in fighting off the takeover bid by Bunzl, profits before tax have risen from £2.37m to £3.06m, earnings are up from 21.01p to 26.58p, and the dividend is increased by 6p to 10p net with a final of 6p.

Turnover fell from £48.38m to £45.53m because of the divestment of non-profitable businesses. Cash inflow was £1.7m in the year, and by the year end the debt equity ratio had been cut from 34 per cent to 23 per cent. New capital equipment costing over £2m was installed in 1982 of which some £0.5m was leased.

After tax of £498,000 (£200,000), net profit came out at £2.56m (£2.17m). There were extraordinary debits of £887,000 (£1.71m) which include restructuring the Transfer Printing and Engraving operations and the defence costs against the bid.

Bemrose Printing has developed its position in security printing and gained additional business in cheques, tickets, plastic cards, examination papers and a wide range of government printing. Bemrose Calendars and Diaries again made an important contribution to profits.

As a result of cost reductions and productivity gains in Bemrose Flexible Packaging and Bemrose Cartons, the profits of both these units held up well. Transfer printing is being restructured, which should enable the operation to trade profitably at a level of sales comparable to 1982.

A further £3m investment programme is under way. The group's operations are now far more competitive and the real benefits will come when the economy picks up and demand increases, the directors state.

● comment

Bemrose's results and its dividend payment are precisely in line with the forecast made by the company in July at the height of Bunzl's take-over bid. The company has felt obliged to put through the 150 per cent increase in dividends, even though this has meant a further erosion of the reserves on an inflation-adjusted basis for the fourth successive year. Shareholders will be disappointed that the £3m forecast for pre-tax profits has been achieved only by taking £890,000 of costs below the line, the sixth successive year that extraordinary provisions have been made for rationalisation. The labour force has been reduced by 470 to 1,750 and the least profitable subsidiaries, in book and paper-bag printing, have been sold off. Bemrose is market-leader in its traditional calender-printing business and has specialised in high-growth, high-technology and high-margin security printing, with 20 per cent of the cheque market. But a question mark continues to hang over the packaging division, the company's largest, and the management is sceptical as to whether it will reap any immediate benefit from an upturn in the economy this year. The share price of 181p (up 4p) is 14 times the fully-taxed prospective earnings, if these remain at £3m, compared with a CCA net asset value of 188p. Bid speculation is the explanation.

Squirrel Horn down

Profits of sweet manufacturer Squirrel Horn continue to decline. In the second half they fell to £74,000, to give a total of £243,000 for 1982, compared with £460,000.

The dividend is being maintained at 1.8125p net per share, the final being 1.0625p.

Turnover of this maker of sugar confectionery, toffee and chocolate improved slightly, from £6.74m to £6.83m.

Profit lift at Hepworth Ceramic: pays more

THE SECOND half has produced a slight increase in profits for Hepworth Ceramic Holdings, and this lifts the total for the year 1982 from £24.15m to £24.61m. The dividend is raised from 5.25p to 5.6p net, the final being 3.35p.

Turnover amounted to £298.8m (£289.7m) and the trading profit to £27.63m (£27.43m) split as to: clayware £15.6m (£12.8m); refractories £1.7m (£2.2m); industrial sands and minerals £7.1m (£7.4m); plastics £3.1m (£3.2m); foundry resins and equipment £0.4m loss (£1m profit); engineering and miscellaneous £0.5m (£0.8m).

The contribution from associates fell to £474,000 (£746,000) and interest charged was virtually unchanged at £2.55m. After tax £8.13m (£6.39m) the net profit came out at £15.48m (£15.75m). Earnings are shown to be 9.84p (10.01p) per share.

There are extraordinary exchange gains of £5.5m (£4.92m) and extraordinary debits totalling £18.81m (£6.24m). These comprise:—closure and restructuring costs £9.5m (£6.4m); loss on withdrawal from joint venture with Cement-Roadstone in Ireland £12.1m; loss on closure of other associated companies £0.3m; less tax relief £2.1m (£0.2m).

● comment

In what was one of the worst ever years for the UK refractories industry, Hepworth Ceramic still managed a marginal increase in pre-tax profits. In keeping with its policy of slimming capacity in line with declining demand, the company made 500 redundancies at a cost of £2.6m in this division and protected itself further by increasing exports a few points to 40 per cent of production. The brightest spot was clayware, where technological improvements led to a 22 per cent increase in trading profits. The plastics, clayware and foundry divisions were hampered by losses estimated at between £2.25m and £2.5m from the U.S. where markets collapsed even more violently than in Britain. Below the line, the £12.1m extraordinary loss on Hepworth's withdrawal from Ireland relieves the company of operating losses of about £1m annually. The increased dividend comes by virtue of the company's confidence in the backing of a sound balance sheet where capital gearing is only 12.6 per cent. An upturn in Hepworth's steel-related divisions seems unlikely in 1983, but better housebuilding figures on both sides of the Atlantic should help plastics and clayware pull the company up to £30m pre-tax. The share price slipped 8p to 139p on a prospective p/e of 15 and yielding 5.8 per cent.

Toy retailing helps Maynards reach £1.39m

A reasonably good performance by Maynards, with the toy department in particular having a successful Christmas trading period, produced marginally higher pre-tax profits of £1.39m against £1.38m for the half year to the end of December 1982.

Turnover however was deflated from £39.05m to £37.85m by a decrease in tobacco goods after the group stopped using deep price cuts on these goods in order to restore margins.

Commenting on outlook, Mr Robert W. Ramsdale, chairman, says that sales in January and February were disappointing but he nevertheless hopes the improving trend in results will be maintained.

The net interim dividend has been held at 8.125p—a final of 6.625p was also paid last year from pre-tax profits of £1.8m.

Manufacturing increased profits and Mr Ramsdale says that the division's place in the market is being reassessed, bearing in mind changing eating habits.

Pre-tax profits were struck after increased depreciation of £364,000 (£273,000) and exceptional debits of £78,000 (credits £40,000) relating to reorganisation and other costs. Interest took less at £46,000 (£60,000).

Pritchard Group jumps by 67%

REFLECTING its acquisition programme and organic growth, sales revenue of Pritchard Services Group for the year ended January 2 1983 advanced by £96m to £273m.

Profits rose by 67 per cent, from £6.11m to £10.22m, and the chairman Mr Peter Pritchard, says that despite the difficult economic climate, the impressive range of contracts recently won by the group "gives us every confidence for our long term future."

The group is engaged in building maintenance and health-care management services, with interests in security, linen rental and food. Mr Pritchard says that with this year's substantial increase profits have been trebled in only two years.

"Our growth during a severe recession has been fostered by accumulating evidence of the benefits businesses and public authorities everywhere can gain from employing skilled specialist contractors to carry out what are normally regarded as expensive but essential services," he tells shareholders.

After tax £3.49m (£2.15m) and minorities £536,000 (£392,000), the net profit attributable rose from £3.56m to £6.2m. The final dividend is 2.1p for a net total of 3p, against the equivalent of 2.5p allowing for the scrip issue and subdivision, and absorbs £2.43m (£1.87m). Earnings are shown at 7.66p (5.79p).

Recalling recently-won contracts, Mr Pritchard says the group is providing full catering services for the cadets at West Point, the U.S. Military Academy, and supplying daily meals to the personnel of the U.S. Naval Support Force at McMurdo Sound Antartica.

In Britain, refuse collection and street cleansing in Bath, refuse collection in South Oxfordshire and gardens maintenance at Wandsworth are worth over £8m to the group, and will save an estimated £3.5m for local authorities. Crothall will be providing domestic services to the East Surrey District General Hospital in Redhill.

● comment

Pritchard Services has added another successful year to its solid profit track record. Last year's healthy 67.5 per cent pre-tax profit advance reflected further growth in the traditional areas of building maintenance and cleaning as well as the growing contribution of health care which has resulted mainly from the acquisitive years of 1980-81. Whereas building maintenance kicked in some 57 per cent of overall profits in 1981 against 21 per cent from health care, the two divisions have now reached parity with each contributing 50 per cent of group earnings. The importance of the NMC acquisition — which made significant, though unquantified profits last year—boosted overseas activities so that the U.S. end now accounts for 50 per cent of group sales (34 per cent in 1981) and 20 per cent of overall operating profit. Profits from here might have been even higher but for heavy reorganisation costs following the merging of health care activities. Further inhibiting profit growth was a sharp increase in interest payments to £2.3m (£1.3m) arising partly from higher borrowings used to fund the £20m NMC acquisition. The market had expected £10m pre-tax, but the share moved up 3p to 164p, for a yield of 2.7 per cent.

'Creditable' performance from Metal Closures

ALMOST maintained profits were achieved by Metal Closures Group in 1982, which the directors feel are "creditable results in a very depressed industry." Overseas earnings, particularly those derived from the South African group, have made significant contributions.

The economic depression continued unabated in the second half, and the profit for that period fell from £3.41m to £2.94m, to leave the year's total at £5.95m compared with £6.12m.

All divisions operated at well below capacity for the whole year. Additionally, restrictions on capital spending by potential customers, which affected Techno Industries in the first half, have continued and worsened, resulting in that company making a loss for the year.

The dividend for the year is held at 5.7p, the final being 3.5p net.

Group turnover rose by £9m to £76.36m. The profit was struck after redundancy payments of £196,000 (£199,000). Tax takes £1.83m (£1.79m) and minorities £695,000 (£585,000), to leave the net attributable profit at £3.43m (£3.73m). Earnings are stated to be 16.2p (18.3p) per share. This year there is an extraordinary charge of £374,000.

Without an economic recovery worldwide, the directors see little change in the pattern of trading and hence results.

● comment

Losses from the Techno subsidiary were the chief reason for Metal Closures' 2.7 per cent decline in pre-tax profits—a group performance below the market's expectations. Techno's markets virtually collapsed in the second half as customers cut back sharply on their plans for capital spending on packaging machinery. The subsidiary has now been reshaped and all its operations put under one roof, giving rise to the £374,000 extraordinary debit. Meanwhile, orders have improved in the current year. The group's workforce has been reduced by a further 300; of which 100 came from Techno. The rest of the UK operations benefited from a full year's contribution from the consolidation of production at Bromwich which took place at the end of 1981. Stripping out currency fluctuations, the company reports South African pre-tax profits ahead by 17 per cent. Despite a gloomy economic background, the market for bottled drink caps there remained bright. Analysts expect group pre-tax profits to rise to £6.5m this year on the back of an improvement in UK markets. The share price slipped 2p to 129p for a p/e of 9.5.

Jas. Walker Goldsmith optimistic despite losses

Following full year losses of £1.96m against profits of £2.92m, James Walker Goldsmith & Silversmith continued to produce losses for the first half to the end of October 1982. The pre-tax deficit increased sharply from £360,000 to £808,000.

However, the directors say that in the second half, there has been an improvement in sales in the important Christmas period and they are confident that a substantial redevelopment programme is now contributing to a return to profitability.

The net interim dividend has been cut from 1p to 0.5p—last year's final was missed. The directors will consider this year's final in the light of full-year results. The interim has been declared in the light of property disposals and the encouraging progress in rationalisation.

The fall in turnover by 12 per cent from £12.46m to £10.97m is mainly due to branch rationalisation and represents the loss of sales from 15 branches which have closed. The net trading loss of £185,000 (profits £258,000) reflects the relatively poor trading during the first six months as well as extra costs in developing jewellery displays and shop refits.

Pre-tax results were struck after depreciation took £308,000 (£336,000) and interest £315,000 (£283,000). After tax of £43,000 (credit £154,000) net losses stood at £851,000 (£206,000).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Banro Inds.	2.73	May 8	2.73	3.3	3.3
BBA Group	0.9	July 6	0.9	1.74	1.74
Bemrose Corporation	6	May 26	2.5	10	4
Bernard Matthews	3.05	May 13	2.38	5.25	4.38
Black and Edgington	Nil	—	Nil	Nil	0.1
Blue Bird ... int.	1.45	April 22	1.45	—	4.57
Fairview Ests. ... int.	1.46	May 10	1.33	—	5.06
Friedland Doggart	3.35	—	3.15	5.8	5.1
Hepworth Ceramic	3.35	July 1	3	5.6	6.25
Howden Group ... int.	1.46	April 29	1.46	—	4.4
Maynards ... int.	8.18	May 8	3.13	—	9.75
Metal Closures	3.5	May 16	3.5	5.7	5.7
Noble and Lund	0.18	—	Nil	0.35	Nil
Owners Abroad‡	0.5	July 4	—	0.5	—
Pressac ... int.	0.35	May 23	0.35	—	1.1
Pritchard Services	2.1	July 4	1.75	3	2.5*
Saga Holidays ... int.	1.2	April 29	1.2	—	3.73
Squirrel Horn	1.06	May 13	1.06	1.81	1.81
Tricentrol	5.6†	—	5.6	8.4	8.4
J. Walker Gold ... int.	0.5	—	1	—	1

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock.

UK COMPANY NEWS

Commercial Union expects dividend level to be held

SHAREHOLDERS in Commercial Union Assurance Company are reassured by the out-going chairman, Sir Francis Sandilands, that it is the present intention of the directors to maintain the existing level of dividends during the current adverse period of trading, subject to unforeseen and exceptional losses.

In his statement accompanying the 1982 report and accounts, he also states that the intention is to revert to the policy of steady annual increases as soon as they can be confident that market conditions had changed for the better.

As already reported, CU maintained its dividend last year despite underwriting losses of £271.5m and pre-tax profits cut from £89.5m to £21.5m.

Sir Francis refers to the many steps taken in 1982 to improve future underwriting results and he believes that improved earnings will follow starting this year. But he feels that the full effect will not emerge before 1984.

The review of the various operating territories is somewhat pessimistic over prospects for recovery in the U.S. As already reported, underwriting losses there in 1982 reached £198m with a pre-tax loss of £89.4m. Although there are few signs of an upturn in the general underwriting cycle, CU expects to see continued beneficial action from the measures already taken.

The report discusses the plans for reducing expense levels in the UK aiming at a 15 per cent reduction in staff numbers. The group is looking for a 3 percentage point benefit in the expense ratio by the end of next year.

The value of the group's non-life business stood at £1.05bn at the end of 1982, compared with £824m at the end of 1981. Life funds of the group rose from £2.62bn to £3.19bn.

See Lex

L and G managed funds rise

TOTAL MANAGED funds of Legal and General Assurance (Pensions Management), a member of the Legal and General Group, rose from £2.01bn to £2.3bn during 1982. In addition, the company managed around £400m of segregated funds.

Total new investment made during the year amounted to £182m, of which nearly half—47 per cent—was invested abroad in overseas equities and property. One-fifth was invested in UK properties, 17 per cent in UK equities and 16 per cent in fixed interest securities.

These figures represent both the decisions made by the company where it was given full investment discretion by clients, and by those clients investing directly in the various funds.

Mr Keith Hall, manager of the company, in his annual report, stated that where clients had given full discretion, the intention was to have around one-eighth of the total assets invested abroad. This proportion could rise to 15 per cent.

Mr Hall did not regard this element of mismatching of assets and liabilities to be excessive and rejected allegations that investment abroad was starving British industry of funds.

The under-investment in British industry was not due to lack of finance and he pointed out that the impact of British investment in the huge stock markets of the U.S. and Japan was marginal. He warned that when North Sea oil ran dry, the income from overseas investments would help balance the books.

Despite last year's dull property conditions, the Property fund moved ahead from £881m to £961m, reflecting continued confidence by pension fund managers in this sector of the market. The fund had 562 clients at the end of 1982.

Mr Hall pointed out that although prospects for rental growth would continue to be affected by the recession, the company's experience on rent reviews to date had been good. The company still believed that top quality property would play a vital role in pension fund investment.

At the end of 1982, the Ordinary share fund was valued at £259m with 142 clients, the International fund at £98m with 151 clients, the Fixed-interest fund at £240m with 163 clients and the mixed fund of UK and overseas equities and fixed-interest £708m with 278 clients.

The company is to launch a separate index-linked gilt fund for clients wishing to hold a specific amount in these stocks.

Midway boost for Pressac

New products and higher volumes at Pressac Holdings helped boost pre-tax profits from £161,926 to £212,272 for the six months to the end of January 1983. In the second six months last year there were pre-tax losses of £16,356.

Turnover of this electro-mechanical component maker moved up from £4.93m to £5.81m.

Mr S. W. Clark, chairman, says there was a marked advance in the last two months and this higher level of activity is being maintained.

The net interim dividend has been held at 0.35p—earnings per 10p share were given as ahead at 1.35p (0.74p).

In the last full year pre-tax profits amounted to £145,570 (£107,294) from which a total dividend of 1.1p net was paid.

First half tax amounted to £64,000 (£97,000). After minority profits of £19,122 (losses £14,956) and preference dividends of £21,000 (same) attributable profits emerged higher at £108,060 against £58,382.

Friedland Doggart

Manufacturer of domestic and industrial sound signalling equipment Friedland Doggart Group increased taxable earnings from £1.47m to £1.89m in 1982.

The final dividend is being raised from 3.15p to 3.51p making a total of 5.6p (5.1p). Earnings per 25p share are given as 17.02p (13.48p).

Rights result

Only 6,549,340 shares (49.4 per cent) of the recent rights issue made by Mettoy Co have been taken up. The balance will be subscribed for by the underwriters.

Blue Bird Confectionery falls midway

First half taxable profits to January 1 1983 of Blue Bird Confectionery Holdings slumped from £200,899 to £106,142 on turnover slightly lower at £4.72m, compared with £4.81m.

The interim dividend is being maintained at 1.45p, while earnings per 25p share are given as 0.19p (3.28p). Last year a total distribution of 4.57p was paid from pre-tax profits of £377,722 (£112,151).

The directors say they have spent a great deal of time and money modernising, improving and widening the group's present range as well as increasing its television advertising.

The expansion programme is being implemented according to plan and during this month the group introduced a number of new lines.

The directors' intention to maintain the final dividend will entirely depend on the result of the general economic climate they say. In the present uncertain conditions and in the light of the continuing depressed economic climate, particularly in the West Midlands, it would be wrong to predict the results for the future, they add.

Accommodation has been reached between the group and two former directors who had made claims after ceasing to be members of the board. The matter was settled out of court, and resulted in an exceptional charge of £52,000 (less tax) for the half year.

Tax in respect of the half year amounted to £44,453 (£79,791) though the directors point out that none will be payable because of earlier payments of ACT.

Bats (Singapore)

For the year ended December 31 1982, net taxed profit of British-American Tobacco (Singapore) advanced by 57 per cent from $7.9m to $12.4m.

The dividend is being raised from 17 cents to 25.5 cents, with a final of 17.5 cents. Also proposed is a one-for-one scrip issue.

BANK RETURN

BANKING DEPARTMENT

	Wednesday March 23 1983	Increase (+) or Decrease (—) for week
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	351,254,748	—1,561,090,899
Bankers Deposits	646,033,082	+ 18,851,186
Reserve and other Accounts	6,183,270,573	+ 1,240,253
	3,195,017,403	—1,540,999,460
Assets		
Government Securities	381,984,678	— 42,065,000
Advances & other Accounts	1,428,077,165	+ 29,962,388
Premises Equipment & other Secs.	1,364,927,138	—1,532,031,428
Notes	19,907,478	+ 3,152,500
Coin	120,924	— 17,986
	3,195,017,403	—1,540,999,460

ISSUE DEPARTMENT

Liabilities	£	£
Notes issued	11,000,000,000	+ 70,000,000
In Circulation	11,080,092,522	+ 71,867,500
In Banking Department	19,907,478	+ 3,132,500
Assets		
Government Debt	11,015,100	—
Other Government Securities	2,942,555,963	— 701,619,331
Other Securities	8,146,425,937	+ 776,619,301
	11,100,000,000	+ 75,000,000

Saga still unhappy with Laker acquisition

AS FORECAST, taxable profits of tour and hotel operator Saga Holidays slumped from £1.45m to £415,000 in the first half to the end of December 1982.

This downturn reflects the disruption to the group's business generally, caused by its Laker Holidays acquisition, Mr Sidney De Haan, chairman, says.

Overheads were increased and Laker holidays did not provide the sales or margins for which the directors had hoped. Additionally, investment income was substantially reduced by the losses of the previous year of £136,000 and the amount outstanding and due from the TOSG Trust Fund.

However, the group's operation in North America broke into profitability sooner than anticipated despite the recession, Mr De Haan says, and it contributed to profits.

Current trading in the group's traditional "over sixties" holiday business is encouraging and reductions in direct costs and overheads have been made.

The group is experiencing good growth in its North American operation but Laker Holidays continues to suffer from lack of demand for summer 1983 holidays. Capacity has been reduced accordingly and further reductions have been made in administrative costs.

The fundamental strength of the "over sixties" and its development in the U.S. together with an improvement in investment income should enable the group to return to a satisfactory level of profitability for the current 16 month period, Mr De Haan says. (As already announced the year end is being changed to October 31.)

The interim dividend is being maintained at 1.2p net per 20p share. Last year a total of 3.73p was paid. Earnings per share for the six months are given as 1.11p (7.52p).

Tax took £215,000 (nil), leaving attributable profits of £200,000 (£1.45m). After the interim dividend absorbing £216,000 (same) the retained losses are £16,000 (£1.23m profits).

● comment

Now even Saga Holidays admits it: the Laker acquisition was a pig in the poke. It lost about £2m last year, and it is a fair bet that it cost Saga another £1m in this six month period. The real Mr Laker's return to the holiday business under his own name was the final straw as far as Saga was concerned, and the operation is now being effectively wound up, and with it Saga's venture into "open age" holidays. Perhaps Saga should try to sell the Laker Air Travel name to Tiny Rowland. The most cheering news yesterday was that the new North American business is exceeding expectations and will most likely be in the black for the 16 months to October. Not so surprising really: the mighty dollar means favourable conversion to sterling for both the company and the U.S. senior citizens who come here with Saga. Investment income is as strong as ever, but it will remain just that since Saga says it will never deplete that income from advance deposits to fund acquisitions. Shareholders are probably wishing that the company had been as prudent last February. This time the De Haan family is not waiving its entitlement to an uncovered dividend, which, with the shares up 7p to 97p, yields 5.6 per cent. That is a rating which may best be described as forgiving.

Imperial Group chief quizzed over dividend

Imperial Group chairman, Mr Geoffrey Kent, faced questions from shareholders at yesterday's annual meeting over the group's decision not to raise the dividend despite a 46 per cent increase in pre-tax profits over the previous year to £154.3m.

Mr Kent, defending the decision to maintain the final payment at 4.5p, to leave a total of 7.25p net, said: "Growth involves a further investment from a judicious blend of profit retention and borrowings. Holding the dividend level this year gives rise to a better relationship between after-tax profit and the dividend level."

He added that he expected the first six months of the current year to produce a trading surplus in the tobacco division of about the same order as last year—£43.6m. Other parts of the group should show some improvement over the first half of 1982.

BIDS AND DEALS

8% of Crouch Group equity changes hands

BY CHARLES BATCHELOR

THE SHARES of Crouch Group, the property development and construction company, rose 10p to a 12-month high of 130p yesterday following the sale of a block of shares representing more than 8 per cent of the equity.

Mr Peter Meyer, a director of Federated Land, bought 325,000 shares from a single holder—understood to be Crouch's former chairman Mr Ronald Clempson, who was ousted by other members of the board in January.

This purchase takes the holdings of Mr Meyer and a related trust to 740,000 shares or 18.5 per cent, and means 46 per cent of the Crouch equity is held by four shareholders.

About 12.5 per cent is held by the Crouch family, 9 per cent is owned by Garran Rawlings, a small property company, and a further 7.1 per cent belongs to Prowting Holdings, a private house-builder.

Crouch said yesterday that it had not been notified that Mr Clempson had sold his shares but the share package corresponded exactly to his holding. The company agreed it was concerned at the build-up of such a large single stake.

Mr Clempson is currently holidaying abroad but a representative said yesterday she had received instructions to make no comment. Mr Meyer was not contactable yesterday. Federated Land is a Dorking, Surrey-based property development and investment company.

The British Steel Corporation Pension Fund Trustee increased its holding in Federated to just over 50 per cent last year.

Mr Clempson fought to retain his position at Kingston-upon-Thames-based Crouch earlier this year with an appeal to shareholders but was overwhelmingly defeated on a vote at an extraordinary meeting on January 14.

Crouch has a market valuation of £5.2m at yesterday's share price.

St Piran wins injunction against Westminster Prop.

St Piran, the wholly-owned subsidiary of Mr Jim Raper's master company, Gasco Holdings in Hong Kong, yesterday successfully obtained an injunction in the High Court preventing Westminster Property Group from issuing any new shares.

The court ruled that an injunction should be imposed until a trial "to restrain Westminster Property Group whether by its officers, servants, agents or otherwise whosoever from issuing or allotting or contracting to issue or allot any shares in Westminster Property Group."

Mr Raper, through mining and housebuilding group St Piran, has over the past month built up a 29.99 per cent stake in Westminster. At a stormy annual meeting a week ago, he unsuccessfully sought to place himself and St Piran nominees on the board.

Following this meeting Mr Raper is understood to have been concerned that the present board of Westminster might seek to dilute his stake by issuing 2.5m shares.

The board was entitled to do this because only 27.5m of the company's 30m authorised shares are at present in issue.

The company is now restrained from issuing new shares until the matter is resolved in court.

Falling pound puts end to Willaire's U.S. deal

BY DAVID DODWELL

Willaire Systems, the air conditioning, refrigeration and clean air equipment maker, has announced that its plans to purchase a U.S. company have fallen through—in large part because of the recent precipitous fall in the value of the pound.

Mr Charles Bentley, Willaire's managing director, said yesterday that the sterling cost of acquiring Hubbell Corporation, a privately owned company based in Illinois making equipment for the refrigeration industry, had risen by about 13 per cent over the negotiation period.

The price tag rose from about £570,000 to almost £650,000 before talks were called to a halt. With the pound at its current level, the price would have been more than £680,000.

Willaire, which is quoted on the unlisted securities market, first revealed that it was at an advanced stage of negotiations with Hubbell in November last year.

The company came up for sale in unusual circumstances. The president and owner, widow of the founder of the company, had died in 1981, leaving her estate to the Christian Scientist Church. It is the church, therefore, that is selling Hubbell.

It is understood that a U.S. businessman completed purchase of the company about 10 days ago.

The costs of mounting the bid for Hubbell are likely to weigh on already depressed trading figures for Willaire's current trading year. The company announced half-year losses to the end of September of £70,000, compared with a £6,000 profit in the comparable period in 1981, on a turnover of £1.02m, compared with £245,000 in 1981.

Evans & Owen expansion in Warehouse boutiques

FORMER DEPARTMENT store operator, Evans & Owen, is putting together a £360,000 package to fund its expansion of fashion boutiques trading under the Warehouse name. The company is also cementing relationships with fashion designer Mr Jeff Banks by buying his design company, Kobet, for 122,500 shares. Mr Banks will be joining the board and has a five year service contract with Kobet.

Evans & Owen is making a one-for-seven rights issue of 86,072 ordinary shares at 140p each. The directors will be taking up their issue in full though most of the proceeds will be returned to them in repayment of loan made to the company of nearly £90,000. Brothers Maurice and Michael Bennett own more than half the company.

Industrial and Commercial Finance Corporation will be injecting £240,000. Half of that will be a 13 per cent 10 year secured loan with the balance coming from an issue of 80,000 cumulative convertible redeemable preference 25p shares priced at 150p each.

The directors are forecasting profits for the current year ending this month of £175,000 against £86,000 in the previous 12 months. They expect to recommend a dividend of 3.125p a share on the enlarged capital. Last year there was a payment of 2.5p.

The company's name will be changed to The Warehouse Group.

CHARTER/ANDERSON

Charter Consolidated is to announce before the stock market opens today the level of acceptances for its £95m cash offer for Anderson Strathclyde, the Glasgow coal cutting equipment manufacturer.

The bid reached its first closing date yesterday and it is understood that the response to the 200p per share terms has been low while major shareholders prepare to wait through an extension. Anderson's shares reached the bid price with a 4p rise yesterday, for the first time in several days, but the belief that Charter is about to boost its terms immediately are understood to be premature and would anyway depend very heavily on the interim forecast for April-September which Anderson may be expected to prepare once the offer has gone into its second phase.

NO PROBES

The following mergers are not being referred to the Monopolies and Mergers Commission: Marley and Enterprises of Hyde Products; British Industrial Sand and assets of Clugston Holdings; Computervision Corporation and Cambridge Interactive Systems.

RACING

BY DOMINIC WIGAN

For reasons of space the daily racing column is being discontinued. Dominic Wigan will continue to contribute to the Saturday sport section. Tomorrow he writes on the prospects for the flat racing season.

ALTHOUGH Doncaster stages the second programme of its Lincoln meeting, more absorbing sport with Liverpool in mind can be found at Newbury today, where Roller-Coaster carries top weight in a Woodhay Handicap Chase which also sees the reappearance of Grand National outsiders Priest's Rock and Williamson.

Roller-Coaster ran a reasonably encouraging race after a lengthy absence before finishing third behind Fauloon and Mister Bosun at Wincanton on December 27. However, his outings have been few and far between of late and in view of the fact that he has not been seen in public since then, I intend passing him over.

Williamson looks a more interesting prospect. But for a mistake at the fifth fence behind Manton Castle at Kempton last month Mita Eaton's intended National runner might well have drawn attention to his Aintree prospects. A six-length conqueror of Flamenco Dancer in the Weyhill Chase here earlier in the season Williamson is lucky to be in today's seven-runner line-up off bottom weight of 10 st.

A win or bold showing by Williamson will see his current National odds of 100-1 with Corals being sharply reduced.

Cheka will be attempting to land the Doncaster Town Plate for a second year in succession. An impressive winner in the event last spring before going on to land Kempton's Queen's Prize at the expense of one-time Ascot Gold Cup hope Halsbury, Cheka will go well without, perhaps, proving good enough to give Meyotte 7 lbs.

Tin boy should have the edge in fitness over most of his rivals in the closing Will Scott Handicap, and the former Hastings-Bass sprinter looks a sound bet to give that trainer's brother in law, Ian Balding, a worthwhile winner.

DONCASTER
2.35—Sagamore
3.40—Mayotte*
5.10—Tin Boy***

NEWBURY
1.45—Sheba's Boy**
2.45—Williamson
3.45—Arabian Music

MINING NEWS

MIM eyes the Asian market

BY KENNETH MARSTON, MINING EDITOR

Australia's MIM Holdings is looking to new markets in Asia for its rising production of lead. Part of the crude lead output from the big Mount Isa mine complex in Queensland is to be refined in Japan and then marketed in Asia. Toll refining will be limited to crude lead over and above the needs of MIM's UK subsidiary, Britannia Refined Metals.

Mr Bruce Watson, the MIM managing director, says the contracts have been arranged for the toll refining in Japan of the lead which will then be shipped for marketing in Asian countries via the Singapore-based subsidiary Mount Isa International (Asia).

Meanwhile the primary refinery at Britannia Metals is being refurbished at a cost of A$28m (£16.6m). But Mr Watson points out that MIM is looking for refining capacity and new markets for the increasing output from the lead expansion programme at Mount Isa.

In the company's year to last June the major aspects were completed of the 20 per cent increase in production capacity of the lead-zinc-silver facilities at Mount Isa which can raise annual output to 190,000 tonnes of contained lead with consequent increases in silver and zinc.

Earlier this month MIM announced that it was to spend A$54m on raising capacity at the Mica Creek power station. This would cover not only the increasing domestic and industrial power demand but also provide spare capacity for future mining projects including extending the Mount Isa mine's Deep shaft into the 3,000 and 3,500 feet orebodies.

The world recession bore heavily on MIM in the year to last June when, for the first time in 45 years, the company ran into the red with a loss of A$10.37m which would have been even higher were it not for a large tax credit.

The company managed to cling to the dividend list with a reduced payment of a 3 cents final on the capital increased by a one-for-eight rights issue. This followed an interim of 2 cents and the total compared with 15 cents for the previous year.

Since then the picture has brightened. MIM returned to profitability in the 24 weeks to December 12, earning A$10.32m and paying a maintained interim, on the enlarged capital, of 2 cents. Improved prices for silver and increased sales of the metal were a major factor in the better performance, but the company was also able to sell all its output of base metals.

Since then the metal prices have improved and MIM's profits should recover further in the current half year but, of course, they will fall far short of the record A$204m earned in the year to June 1980.

Providing the economic recovery continues MIM, with its increased production capacity, should do well in 1983-84, especially as the big new coal operations get into their stride.

By 1985 the group will have the capacity to produce 9m tonnes a year of steaming and coking coal, most of which is already covered by sales contracts.

Zaire diamond sale to De Beers goes ahead

ZAIRE has formally begun the new marketing arrangement for the bulk of its diamond production with De Beers' Central Selling Organisation (CSO).

Yesterday's sale in Kinshasa, capital of Zaire, marks the resumption of a long-standing, if sometimes uncomfortable, relationship between the black African country, one of the biggest producers of diamonds in the world, and the big South African group which controls the marketing of more than four-fifths of world production.

This relationship lasted for 14 years until May 1981, after which there was a two-year hiatus during which Zaire's stones were marketed through a trio of independent dealers.

The sale covered just under 300,000 carats (there are 142 carats to the ounce); and with an average price of not far short of $9 per carat, the total sum involved will have been somewhere in excess of $2.5m (£1.7m).

The high average price, given that most of the output is of the cheaper industrial quality, indicates the inclusion in the sale of several gemstones of reasonable quality.

The Miba mine at Bakwanga, which is the subject of the new two-year exclusive marketing arrangement between Zaire's state-controlled mineral marketing agency Sozacom and the CSO, normally produces a few gems of good quality each month.

Mr Jack Lunzer of London's Industrial Diamond Company, one of the three independent dealers ousted by the new deal with the CSO, seemed unperturbed at the news of yesterday's sale.

"I am confident I shall be back in Kinshasa within a fortnight," he said.

One worrying feature of the latest sale is the comparatively small number of carats involved. Under the old arrangements, each monthly sale represented roughly one month's production.

If this is still the case, it indicates that Zaire's output could fall alarmingly this year, compared with the 1982 total of around 6m carats.

It could be, however, that production has not fallen at all, merely that the number of stones which leave the mining area illicitly has increased.

BASE LENDING RATES

A.B.N. Bank	10½%
Al Baraka International	10½%
Allied Irish Bank	10½%
Amro Bank	10½%
Henry Ansbacher	10½%
Arbuthnot Latham	10½%
Armco Trust Ltd.	10½%
Associates Cap. Corp.	11 %
Banco de Bilbao	10½%
Bank Hapoalim BM	10½%
BCCI	10½%
Bank of Ireland	10½%
Bank Leumi (UK) plc	10½%
Bank of Cyprus	10½%
Bank Street Sec. Ltd.	10½%
Banque Belge Ltd.	10½%
Banque du Rhone	11½%
Barclays Bank	10½%
Beneficial Trust Ltd.	11½%
Bremar Holdings Ltd.	11½%
Brit. Bank of Mid. East	10½%
■ Brown Shipley	11 %
Canada Perm't Trust	11 %
Castle Court Trust Ltd.	11 %
Cayzer Ltd.	10½%
Cedar Holdings	11 %
■ Charterhouse Japhet	10½%
Choulartons	11½%
Citibank Savings	¶10 %
Clydesdale Bank	10½%
C. E. Coates	11 %
Comm. Bk. of N. East	10½%
Consolidated Credits	11 %
Co-operative Bank	*10½%
The Cyprus Popular Bk	10½%
Duncan Lawrie	10½%
E. T. Trust	11½%
Exeter Trust Ltd.	11½%
First Nat. Fin. Corp.	13½%
First Nat. Secs. Ltd.	13 %
Robert Fraser	11½%
Grindlays Bank	‡10½%
■ Guinness Mahon	10½%
■ Hambros Bank	10½%
Heritable & Gen. Trust	10½%
■ Hill Samuel	§10½%
C. Hoare & Co.	†10½%
Hongkong & Shanghai	10½%
Kingsnorth Trust Ltd.	12 %
Knowsley & Co. Ltd.	11 %
Lloyds Bank	10½%
Mallinhall Limited	10½%
Edward Manson & Co.	12 %
Midland Bank	10½%
■ Morgan Grenfell	10½%
National Westminster	10½%
Norwich Gen. Tst.	10½%
P. S. Refson & Co.	10½%
Royal Trust Co. Canada	10½%
Roxburghe Guarantee	11 %
Slavenburg's Bank	10½%
Standard Chartered	‖10½%
Trade Dev. Bank	10½%
Trustee Savings Bank	10½%
TCB	10½%
United Bank of Kuwait	10½%
Volkskas Intl. Ltd.	10½%
Westpac Banking Corp.	10½%
Whiteaway Laidlaw	11 %
Williams & Glyn's	10½%
Wintrust Secs. Ltd.	10½%
Yorkshire Bank	10½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 7.5%. 1-month 7.75%. Short-term £8,000/12-months 10.1%.
† 7-day deposits on sums of: under £10,000 7½%. £10,000 up to £50,000 8½%. £50,000 and over 9%.
‡ Call deposits £1,000 and over 7½%.
‖ 21-day deposits over £1,000 8½%.
§ Demand deposits 7½%.
¶ Mortgage base rate.

Owners Abroad rises to £2.3m

TAXABLE PROFITS of USM tour operator and airline seat broker, Owners Abroad Group, increased from £1.57m to £2.32m for 1982, on turnover of £41.52m, against £33.11m. There is a first dividend of 0.5p net per 10p share for the year.

Comparative figures have been prepared from the audited financial statements of Owners Abroad and Owners Abroad (Wholesale) and their subsidiaries—these companies were acquired by Owners Abroad Group on December 31 1981.

After tax of £1.16m (£737,000) and extraordinary debits of £54,000 (£93,000) attributable profits were £1.1m, against £738,000 which the company points out was not available for dividend. The 1982 dividend absorbs £257,000 (nil).

Stated earnings per share were 2.23p before extraordinary debits, compared with 1.61p calculated using the shares in issue and ranking for dividend.

The board says that early indications show that 1983 will be a difficult year in the industry.

The acquisition of Falcon Leisure Group, a broadly-based holiday company, has now been completed. Falcon had a net asset value of some £900,000 as at October 31 1982.

The initial purchase price was £700,000 payable as to £466,665 in cash and £233,335 in shares at a price of 23p. There is a further purchase consideration to be arrived at as follows:

In the event of Falcon achieving profits of £350,000 for the year to October 31 1983 a further sum of £1m, or a pro-rata proportion thereof. In addition, if profits for the year to October 31 1984 reach £450,000 a further sum of £500,000 or a pro-rata proportion thereof.

Regarding the further payments of £1m and £500,000, the vendors have the right to elect, as part of one or the other of the payments, a single cash amount of £250,000. The balance of any additional consideration will be in Owners Abroad shares.

For the £1m, the share price is agreed at 28p, and for the £500,000 the share price will be at the middle market price during the month of February 1985, less a discount of 10 per cent, save that if that price is less than 28p, the price will be the average price for that month.

● comment

Owners Abroad seems very pleased with itself over the Falcon Leisure acquisition, which will effectively add about 80,000 passenger capacity. After an abortive office move, and the failure to clinch the Starvillas deal, Owners must have been very relieved to finalise the Falcon buy in time for the preliminary announcement. Reading between the lines of the statement it looks as though Owners would have found it a hard job to get much profits growth this year out of the existing business. Not that the company isn't trying: last year it managed a load factor of 98 per cent. Further acquisitions would be in character, but though Owners has about £1m enjoying life on the money markets, paper seems the most likely funding method. The company has still not sold the notorious yacht, but despondency on that count must be mixed with the warm feeling that comes from having bought it when the pound was worth about $2.20. The dollar may be high in the sky but Owners' paper is not doing too badly itself: at 28½p, down ½p, the yield is little more than 2.5 per cent.

Bernard Matthews upsurge to £5.7m

THE POLICY of heavy capital investment over the last three years is now paying off for Bernard Matthews, turkey producer. For the year ended January 2 1983 profits have expanded to £5.71m, thereby more than making up the setback to £1.62m experienced in the previous year.

In the second half the group made a profit of £3.9m. The dividend is lifted from 4.38p to 5.25p with a final of 3.05p.

Mr Bernard Matthews says that over the last three years £10m has been invested, with particular emphasis on meat processing facilities. Sales for the latest year rose by £9.2m to £62.71m.

Sales of turkey meat products continued to expand. In the autumn the new crispy crumb and gammon-style turkey steaks were introduced and have proved "highly successful." Although the ban on poultry imports from certain countries was lifted in early November, Mr Matthews says the market for whole turkeys remained firm.

It will be some weeks before full activity is resumed at the Great Witchingham factory following the recent fire; however, deliveries have been maintained. It is believed that all loss and damage from the fire is fully covered by insurance.

On the current year the chairman says prospects "look encouraging." Although it is too early to forecast for the whole period, he expects first half profits to exceed substantially the £1.81m pre-tax made in the corresponding period last year.

It is planned to further increase the frozen product range and to also introduce a range of fresh products. In the face of large increases in current grain and soya costs, the policy to cover forward raw material usage in the futures market is again proving beneficial.

After tax of £947,000 (£257,000 credit) the year's net profit comes to £4.76m (£1.88m). Earnings are shown at 35.69p (10.14p) before tax and at 29.77p (11.75p) after.

● comment

Bernard Matthews has brushed aside the first-half difficulties presented by a six-week strike to end the year with profits well up on even the most optimistic market forecasts. The profit surge came off a low base, but it was achieved on a relatively modest turnover advance of only 17 per cent. And the problems which plagued the company in 1981 appear to have vanished completely. The virtual doubling in trading margins to 10.9 per cent resulted from increased efficiencies following the £10m capital spending programme, coupled with higher volumes. Profitability has been aided by the expanded range of higher-margin turkey products, which now come in just about every shape and form. Trading conditions received a shot in the arm from the ban on imports which prevailed for most of the year and the French seem likely to keep out of the market as long as the current weakness in sterling persists. Losses resulting from the fire at Great Witchingham are believed to be fully covered and the blaze has certainly not dampened the company's enthusiastic first-half profit forecast. With that in mind Matthews seems well on the way to a revival. The market was clearly cheered by the results, marking the share up 15p to 160p for a yield of 4.8 per cent.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Campari International, Minerals and Resources, Pifco, Westminster and Country Properties.

Finals: AI Industrial Products, Alpine Holdings, Automated Security, Bridgewater Estates, Bristoil, Firmin, Harris Queensway, Charles Hurst, Lex Service, Macallan-Glenlivet, J. N. Nichols (Vimto), Relyon.

FUTURE DATES

Interims—	
New Court Trust	Apr. 5
Peel Holdings	Mar. 28
Standard Industrial	Mar. 30
Finals—	
Bowthorpe	Apr. 12
Brammer	Apr. 6
Empire Stores (Bradford)	Apr. 13
Markheath Securities	Mar. 28
Savoy Hotel	Apr. 19
Watts, Blake, Bearne	Mar. 30

Interim advance for Fairview Estates

FOR THE six months ended December 31 1983, Fairview Estates returned pre-tax profits of £3.11m, an improvement of £286,000 over the figure for the same period last year, and the net interim dividend is being stepped up from 1.328p to 1.461p per 50p share.

Turnover for the six months under review expanded from £14.78m to £17.69m—the principal activities of the group are now development and investment in property and development and sale of residential property. No significant sales of either housing or industrial land took place during the period.

First half earnings per share emerged at 7.1p (7p). Net asset value is given as 160p (150p).

● comment

Fairview Estates decided to pull out of housebuilding last summer just as the housing market was beginning to improve. But the withdrawal is being phased over several years and in the meantime the company is continuing to build. The exhaustion of its land-bank would require the construction of 3,500 houses. 550 units were completed in the six months to December, 100 more than in 1981. Fairview focusses its efforts on London and the Home Counties, but also on the first-time buyer, so that the benefits it reaps from the budget concessions on mortgage tax relief will be limited. Over the last two years, Fairview's property portfolio has shifted towards offices and shops, which now make up 10 and 15 per cent of the total respectively in terms of rental. But the bulk of its real estate is still in industrial premises and warehouses in outlying London suburbs north of the Thames. The three- and five-year rent reviews are fairly evenly spread out over the course of this year and next, and there has been a significant reduction in interest charges on borrowings which continue to amount to about 50 per cent of shareholders' funds. The share price yesterday fell 2p to 119p where the historic yield is 5.5 per cent.

Garton reduces losses and forecasts return to profits

A SHARP reduction in losses before tax is reported by Garton Engineering for 1982, and Mr Aubrey Garton, chairman, expects the group to return to profit and resume dividend payments in 1983.

The pre-tax deficit of this maker and distributor of nuts and bolts, has been cut by £306,000 to £28,000, with turnover rising from £9.7m to £10.65m.

While the results for the year show a substantial improvement, Mr Garton says the second half suffered a drop in demand of almost 20 per cent, a trend of which he warned in the interim statement.

There are still sectors of manufacturing units which are making losses but Mr Garton is confident that this should be virtually eliminated during 1983. This, together with the beginning of an upturn in activity which is apparent on most fronts, should bring the group back to profitability in 1983.

The resumption of dividends was considered, but it was decided that the results did not justify any payment. The last payment was a final of 1p in 1980.

Losses per share were given as 0.36p (7.85p).

A reduction in employees from 600 to 440, together with integration of certain manufacturing units, accounted for about £246,000 of the extraordinary charge of £264,000 (£70,000).

There were lower tax credits of £15,000, compared with £45,000, and after extraordinary debits the attributable losses emerged lower at £277,000 (£359,000).

● comment

The more confident tone at Garton Engineering stems in part from some small but positive signs of an upturn in demand and the effect of weak sterling on import competition and overseas sales. While the company has been pummelled by the recession its dramatic cuts in workforce do not tell the whole story. Better manning arrangements and flexibility have left it far better geared to meet a revival. With latest redundancies only occurring in the last two months of 1982 the benefits of some £½m saving have yet to show through, and debt equity gearing has begun to ease since jumping to 33 per cent by year-end. Providing the improved trading conditions continue and some price increases can be pushed through in a firmer market, the cutbacks leave the group well able to achieve a mild recovery this year, possibly to over £200,000 pre-tax. But in the short term, while the company is not averse to a logical industry merger, the purchase in the last few days of a 5¼ per cent stake, that has given a small lift to shares, is so far unidentified. Yesterday the shares were unchanged at 40p valuing the group at only £1.5m with a near 30 per cent family stake the chief deterrent to predators.

THE PROPERTY MARKET BY MICHAEL CASSELL

MEPC is chosen by Leamington Spa

MEPC has beaten Heron and Bryant Properties in the hid to carry out the central ares redevelopment scheme in Leamington Spa, Warwickshire.

The project represents one of the few remaining, substantial town centre redevelopment opportunities in the UK and Leamington's originsl invitetion to developers to put forward plans drew a response from a dozen groups.

Short list

The shortlist was whittled down to three last autumn and MEPC were told yesterday that they had seen off the competition. The scheme should be completed in 1986 and will cost eround £15m to develop.

MEPC has one or two things to sort out first, however, not least the fact that 40 per cent of the site is still in the hands of other owners. The single largest owner, with the exception of MEPC, happens to be Arrowcroft, the development group headed by Leonard Eppel and an early contender for the project.

Talks between the two will have to take plare and the local council has made it clear that, as with other minority owners on the site, it will use compulsory purchase powers if necessery to enshle tha scheme to go ahead.

For MEPC, the good news follows its recent success in winning a similar-sized schema in Sheffield city centre. Here agsin, Arrowcroff — which this week revealed details of its £40m shopping development in Oxford—were in contention.

At Leamington, the proposals entail the provision of 85,000 sq ft of retail spece, 4,500 sq ft of offire space, replecement hanking accommodetion and a 500-vehicle car park.

Two levels

The site sdjoins The Parade hetweeo Warwick Street and Regent Street aod is largely cleared. Frontage properties will be retained and a 20 ft fall in height across the site means the centre will be on two levels, but with both entrances on the ground floor.

Christopher Benson, managing director at MEPC, is nnderstandably weighted: "We have put together a scheme which we believe is wholly appropriate to such s beautiful town. We are very heppy the council bss thought likewise." Chapman Taylor sre the architects for both Leamington and Sheffield.

William Cochrane reports from Monte Carlo on retail property trends

Time to smarten up the shop

TOLD in Paris last year that downtown shopping centre development was on the way out, delagates came to the International Council of Shopping Centres conferenre in Monte Carlo this week to find thst redevelopment, or at least refurbishment, was most definitely "in."

Star turn this yesr was Edward Whitefield, former stockbroker's analyst and now chief executive of Management Horizons, a London-based business which tells retailers which way their markets are going.

For developers, and shopping centre menagers, Whitefield's conclusions—based on sociographic, rather than the demographic atudies beloved of the property industry—indicated the need for e rsdical reassessment of ahopping centres, their sims and their targets.

An acceleration in the changes in sbopping centre development is now accompanied by major changes in the structure of consumer groups—age, aspirations, spending ability—and what they actually *want* to spend their money on, be sald.

"In most countries there is a post-war hulge of people moving through the total population like a pig in a python," said Whitefield. The bulge is now in the 25-40 age group, a period of high earning and spending, but the traditional family of two parents and children at home now only, represents 18 per rent of all households and is decreasing.

The prime shopping person now might be an older working woman, with or without s small family, who knows what she wants. Whitefield thinks that many shopping centres developed in the 1960s and 1970s, at a time consistent with the youth revolution, could face user-bankruptcies, and voids in a big way in the 1980s.

Decline

He sees independents, small stores, traditional department stores, variety stores and mail order bouses in decline: "Some retailers will not make it into the future . . . traditional department stores and variety stores will die . . . death comes from standing still or ignoring customers."

Implicitly and explicitly, the theme of change was taken up again and again, both in and out of tha conference room. Ron Gammie of Donaldson & Sons used tha 213,000 sq ft St George's centre in Preston as an example.

First opened in 1964, on two levels and open to the weather, the Centre was bought in 1967 by Legal & General which in the late 1970s decided to upgrade and enclose it et a cost of some £5m — about half the price per sq ft widely quoted for office refurbishment. The upgrading was completed a year ago.

"This development is the first major renovation in the UK of an early central area scheme," said Gammie, adding that "It is anticipated that developers will at last recognise the advantage of improving a dated but nevertheless well-located centre."

Wyndham Thomas, of tha Peterborough Development Corporation (qv), but deep into regeneration with his chairmanship of Inner City Enterprises, backed him np. "Open and part-enclosed centres of the 1960s, and some of the 1970s are getting distinctly untidy in character," be said.

Waking up

"Middle income shoppers especially will tend to stay away unless centres become much more attractive, safer and comfortable; refurbishment is essential if owners are to hold or increasa their share of the market. Otherwise, other developers will step in."

The owners are already waking op, according to Crispin Tweddell of designers Fitch & Co. "A year ago," he said, "wa were working on one shopping centre" (this happened to be the prizewinning entry from Oviedo, in Spain). Now Fitch is working on a dozen, virtually all refurbishments, with three or four jobs under negotiation.

It will not all ha plain sailing. Fitch's client list in this area seems largely corporate or institutional — MEPC, Capital & Counties and Coal Industry Nominees emong them — and Roger Harper, of agents Goddard & Smith who were deeply involved in the town centre abopping development boom, lists the snags elsewhere.

"A lot of the landlords are local authorities," be noted, "with reverse gearing built into their lease structures." This means that as rents rise they get a bigger ahare of the cake from the funders; they might be unwilling to rewrite thosa leases, he says, and that might be a pre-requisite for re-funding.

A valid, practical point. But is it not a fact that local authorities tend to be short of money? That institutions are buyers of prime shop property? Funds are well conditioned by now to the finding, purchase, refurb and up-valuation process in office property. In retailing they could find themselves with another major new outlet.

Peterborough walks off with top prize

"WE ARE creating a ragional capital eity, with s regional city centre," says Wyndham Thomas, general manager of the Peterborough Development Corporation. "Within that is the regional shopping centre."

Peterborough, Britain's only new town to develop an existing city centre, won the coveted International Council of Shopping Centera 1983 European Award in Monte Carlo this week for its new Queensgate covered regional shopping development.

Mr Thomas, in Monte Carlo for tha ICSC's 8th European conferenre — and, incidentally, to pick up the award — seemed tacitly to be acknowledging reservations expressed by some of the UK contingent.

They questioned the size of the £100m, 650,000 sq ft gross lettable area scheme, noting that it bas added around 50 per cent to shopping space in Peterborough city centre, bringing it up to about 1.9m sq ft.

They wondered about the relatively far flung nature of the scheme's 700,000 catchment populetion, maintaining that a less dispersed catchment of that size would indicate Zone "A" rents of up to £60 e sq ft for unit shopping, rather than the £40 to £45 which Peterborough is getting.

The PDC, meanwhile, points to its excellent road end rail communications and the 15m shoppers it has had in the scheme since it opened just over a year ago. It might also have quoted the award committee: "Queensgate . . . enhances and has not destroyed the existing primary shopping facilities."

Queensgate, sharing the award with the new Salesas centre at Oviedo in Spain, won it against competition from major new shopping developments in the UK, France, Spain and Switzerland. The Swiss entry, the Railway Station shopping centre at Dudigen, was granted an eward in the smaller scheme category.

No other big shopping centre in Britain has ever won an award, the only previous UK winner being Federated Land for its Hempstead Valley scheme near Rainham in Kent.

The scheme was developed and designed by the PDC, the engine room behind the city's expansion; more than 40,000 people have moved there since 1970. Hillier Parker advised, from planning consultancy through to letting. Queensgate was built by John Laing with Norwich Union as the major funding institution.

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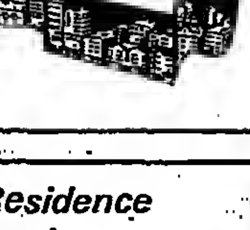

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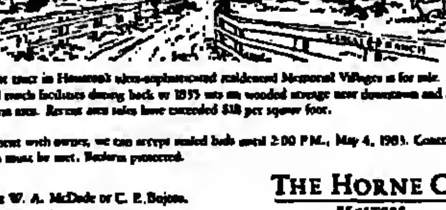

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INTERNATIONAL COMPANIES and FINANCE

SEMICONDUCTOR COMPANY FAILS TO LIVE UP TO EXPECTATIONS

Intel enters awkward period of adolescence

BY LOUISE KEHOE IN SAN FRANCISCO

INTEL CORPORATION, the wonder child of the U.S. electronics industry, is entering the awkward stage of adolescence. Like many a 15-year-old, Intel a leading maker of semiconductor devices, seems to bave lost its charm.

As the company approaches annual revenues of $1bn, it it not living up to the expectations of its ambitious founders, or to the forecasts of analysts.

Even so, in the worst recession in the history of the semiconductor industry, Intel has performed better than most competitors – but not well enough by its own standards.

Intel's net revenues for 1980 were $854.6m with oet profits of $96.7m. This represented a revenue increase of more than 29 per cent on 1979 and an income increase of more than 24 per cent. Profits dropped sharply to $27m in 1981 on revenues of $788m, then recovered to $30m last year on revenues of $899.8m.

Intel's growth rate mirrors the growth of the market for integrated circuits. As the economic decline comes to an end, the semiconductor market is expected to soar to new heights, and Intel aims to regain its "natural stride" with annual growth of between 25 and 30 per cent.

The business slowdown has brought problems to the surface at Intel that were not apparent in the growth scramble. Then it seemed that Intel could do no wrong. The company was always first with a new technology, always first to see a new trend, and always first to tell the world about it.

Recently, however, Intel has made mistakes. Some of them, industry analysts believe, may have a long-term impact on the company's future.

Intel bas been trying to offset its dependeoce on the roller coaster cycles of the semiconductor market by diversifying into commercial computer systems. But it has taken longer than expected for the company to make headway in the computer market.

Analysts suggest that selling computers requires a very differeot approacb from selling chips, but Mr Andrew S. Grove, lotel's president, disagrees. "If anything, we have not taken a sufficiently chip-like approach for too long."

In a recent management shake-up, Intel rejected the marketing policies of the computer industry veterans that it had hired to run its new computer business. It now defines its systems products as "building blocks" that can be used to build up computer systems. "We are more comfortable with that," says Mr Grove.

A two-year industry-wide recession in semiconductor sales has also sbown up some flaws in Intel's mainline components business.

"Iotel's profit margios on component sales have been almost decimated during the past two years because of severe price competition," says Mr John Lazlo, an analyst at Hambrecbt and Quist.

"Intel has the broadest exposure to the Japanese suppliers as almost two-thirds of corporate revenues and almost all of the company's semicooductor devices are positiooed opposite the Japanese competitive thrust."

The company must keep abead of the competibon by driving its superior circuit design and processing technology. Intel's strength is in innovative products that carry a profit premium and enable the company to establish a large market share before its competilors catch up.

It plans to spend $130m oo research and developmeot this year, despite its reduced earnings. The company's financial position has been significantly boosted by IBM's investment of $250m to buy a 12 per cent sharebolding.

Not all of Intel's efforts to innovate are paying off, however. It failed to meet its stated goal of generating more than 50 per cent of revenues from new products last year. Less than 40 per cent was "not good enough for Intel," says Mr Grove.

Worse, Intel's biggest single development project is directed at the design of a new class of microprocessors called the 432. The goal of the project is to redesign the way a microcomputer works, and to make it more reliable, faster and more powerful. Intel has already ploughed more than $50m into the 432 project, but after two years on the market, the 432 is hardly a success.

Mr Grove admits that the 432 has not taken off as quickly as he had hoped. "But technically, we are on the right track." The company remains committed to the project, he stresses, even though it has recently cancelled plans to build its own computer systems around the 432. Mr Grove is convinced that the 432 investment will pay off eventually, but it may be another two or three years before the 432 – or its successor – comes into its own. Intel is reportedly working a joint project with Siemens to develop a new version of the 432.

The company is expected to be relatively late with its "32-bit" microprocessor. Intel's 386 is scheduled for introduction in the second half of 1984, by which time competing chips from Motorola, National Semiconductor and Zilog are expected to have been on the market for valuable months.

Intel's managers are adamant that the company is not losing its technological lead.

When the all-important 386 appears it may well be more advanced than its competitors, but as Intel knows better than most, being first is almost more important than being best in the microprocessor market.

Intel was the first chipmaker to launch o 16-bit microprocessor and although competitive devices introduced later give better performance, Intel still leads the market.

Though well known for its microprocessor products, Intel is also the world's largest maker of MOS (metal nxide semiconductor) memory devices. It leads the market for microcomputer memories called Eproms (erasable read only memories) that do not "forget" when the power is turned off. Sales of its Eproms have boomed for the past year to an estimated total of $315m, more than twice the sales of any of its competilors.

But now the company is playing catch-up in memory technology, too, with two spin-off companies – SEEQ Technology and Xicor – each offering more advanced parts in important sectors of the memory market.

More troubling is the Japanese interest in the Eprom market. The next Japanese thrust is expected to be in Eproms and microprocessors. "They will dominate the market and sharply reduce prices," Mr Lazlo predicts.

Ironically, though the Japanese represent a serious challenge to Intel, the company's sales in Japan grew by more than 25 per cent last year to account for about 10 per cent of its components business. That does not warm Intel towards the Japanese.

"So long as we have a sole source product, we can have all the business (in Japan) that we like. Once that product is made by Japanese manufacturers, our business declines precipitously," Mr Grove says.

Intel managers are now "cautiously optimistic" that the two-year recession is nearing an end, but they lack conviction in predicting an economic upturn. Twelve months ago, Intel thought it saw signs of a recovery and acted by hiring 3,000 additional workers and gearing up production. That improvement turned out to be short-lived.

FINANCIAL TIMES SURVEY

Friday March 25 1983

Office Property

With too many buildings chasing too few occupiers, rental growth has been restricted while investment and new development activity has become more subdued. Top rents can still be found for a limited number of buildings in some towns and cities.

Market waiting for recovery

BY ANDREW TAYLOR

THE OFFICE PROPERTY market looks a little jaded these days and clearly needs the kind of face-lift that only recovery from economic recession can bring.

The same forces that have brought the manufacturing sector to its knees over the past three years have also been chipping away at the hitherto solid foundations of the commercial property market.

An increase in new office building, as the schemes conceived and started in the late 1970s and early 1980s approach completion, has coincided with a deep and long-lived recession which has restricted demand and frustrated expansion plans.

Tenants who might have been queueing to occupy all the space now being built, instead have been anxiously examining their corporate wallets to see if they can afford the offices they already occupy.

The result has been a steady increase in the amount of vacant office space on the market in many cities and towns. With too many buildings chasing too few occupiers, rental growth has been restricted while investment and oew development activity has become more subdued.

Those who earn their living from buying, selling or letting property are clearly having to work harder for their money. But the market, although difficult, is not impossible. Landlords may have to wait before they fill their buildings but deals are still being done.

There have been few, if any, forced sales and no dramatic collapse in rents as has been seen in previous recessions—notably in 1974-75 when the bottom fell out of the commercial property sector.

In fact, commercial property, by comparison with some other sectors, has so far escaped relatively unscathed from the present recession. None the less, signs of strain are clearly visible in the growing volume of estate agents' signboards proclaiming empty offices to let.

The early marketing of major schemes, some of which may be many months away from completion, has added to the stock of offices chasing occupiers.

Some developers are clearly concerned that the lettings may deteriorate and that they will be left with expensive premises on their hands if they wait to market their schemes. But there appears to be something "self-defeating" about the early marketing of a building when there is already a surplus of office accommodation on the market.

Hillier Parker May and Rowdeo in its survey of available office accommodation includes only premises of 20,000 sq ft or more which will be available for occupation within 12 months. The agents figures show that since January 1, 1981, the volume of office space on the market in Britain has risen by more than 50 per cent to just over 23m sq ft.

According to Hillier Parker, the most rapid expansioo in available floor space has occurred in London's West End where available office accommodation has risen from 1.1m sq ft in January, 1981, to 2.7m sq ft by the end of last year—an increase of 145 per cent. In Loodoo as a whote available floor space has risen by just over 90 per cent, from 5.8m sq ft to 11m sq ft.

Elsewhere, ageots say that available floor space in the South-East (excluding London) has risen by 56 per cent since January, 1981, and by an average 24 per cent in the rest of the country.

A large proportion of the office space coming on to the market has been in new buildings. For example, of the 5.7m sq ft offered during the second half of last year, about 2.4m sq ft was in new buildings.

Stockbrokers Quilter Goodison say that the over-supply in both the office and industrial markets "has come about less from any downturn in demand for space and more from the actions of over-eothusiastic developers."

The brokers claim that new development has been encouraged by a perception that the preseot Government may provide more favourable conditions for developmeot than past or future governments; ao easier climate for obtaining ptanning permissions, and a decline in construction costs of about 25 per cent io real terms since the end of 1979.

Pace

The pace of new office development is clearly visible in constructioo figures for 1982, recently published by the Environment Department. These show that ontpot in the private commercial sector rose by more than 16 per cent compared with a 1.5 per cent volume increase for all constructioo activity.

Most construction analysts expect the level of private commercial activity to slow over the next few years as major schemes now under way are completed.

There may even be a gap before the next upturn in office building comes, particularly if increases in reots lag behind the expected recovery in construction tender prices. At this point space shortages may start to emerge as the present programme of oew developments is taken up. Reots may theo be expected to rise more sharply, encouraging another new round of building.

It is more difficult to ascertain what is immediately in store for investment and rental prospects. In the main, office rents are showing little or oo inclination to rise and in most locations will have fallen in real terms once special deals and rent-free periods are taken into consideration.

The market, however, has not been uniformly sluggish. Even in the deepest of recessions there have always been buyers of luxury cars just as there are always people prepared to pay top prices for prime office space in areas of strong demand.

Thus office rents in the so-called inner core of the City of London—those few key streets around the Bank of England and the Stock Exchange—continued to rise strongly last year.

Elsewhere in the City, rental valoes came under increasing pressure as the stock of offices available for letting in the EC postal districts almost doubled last year to 4.2m sq ft compared with a take-up in 1982, accordiog to Richard Ellis, of 2.3m sq ft.

The existeoce of a strongly-defined two-tier market, with a minority of prime properties continuing to hold their value while secondary properties in poorer locations suffer, is equally evident io other parts of the country. The rental chart puhtished by Bernard Thorpe reflects some of the wide disparities in rental values and performance around the country.

Tim Bloomfietd of Clive Lewis aod Partners believes that the performance gap between prime and secondary office properties will remain just as wide in 1983.

"However, if the buildiog does not fall within the right category yoo may still not find a tenant in 1983 even at concessionary rentals," Mr Bloomfield says.

A oumber of investment institutions have reappraised their attitude towards commercial property in the light of the climate for lettings and the dull outlook for reotal growth. Prime office yields baving held remarkably steady during the first two years of recessioo, they started to shift off the bottom last summer as sentiment began to turn against the property market.

Institutions have become more selective about the type and quality of property they are prepared to invest in. None the less, top prices are still being paid for a small oumber of really prime investments. Since last summer prime office investment yields bave risen from 4½ to 4¾ per cent, according to figures published by Healey & Baker.

Lower interest rates and declining inflation should reduce the competitive pressures on property investmeot but the office market cannot expect any fundamental improvement in its fortunes until the economy itself shows genuine signs of recovery.

CONTENTS

RENTAL MOVEMENTS

	Prime rent/sq ft	Secondary/rent/sq. ft.	Movement in last 6 months
Aberdeen	£6-£7	£4-£5	Nominal increase
Bromley	£9-£10.50	£6-£8	No change
Birmingham	£4-£7.50	£1.75-£2.25	No change
Bournemouth	£5+	£2.50-£3+	Prime up to 10% in year
			Smaller secondary 20%
Bradford	None available	Older £1-£1.50 Good secoodary	No change
Brighton	£6.50	£4	No change
Bristot	£6	£2-£3	No change
Cardiff	£5	£2-£2.75	Small increase
Croydon	£11.50	£7.50	No change
Coventry	£2.50-£3.50	£1.75-£2	No change
Edinburgh	£4.50-£5.50	£3-£4	No change
Glasgow	£6-£6.50	£2.50-£4	Nil
Leeds	£5.25-£6	£2-£4	+9% prime
Liverpool	£5	£1.50-£2.50	No chango
Londoo (Mayfair)	£20-£24	£14-£16	Nil
London (West Central)	£15-£17	£9-£13	Nil
London (City)	Up to £32	Up to £20+	Prime 6%, Secondary 4%
London (City fringe)	£9-£17	£6-£10	Nil
Victoria	£16-£17	£12-£14	Nil
W. London (Chiswick, Ealing, Hammersmith)	£10-£13	£8-£10	Nil
Manchester	£6.50	£2.50	No change
Nottingham	£3-£4	£1.75-£2.50	Nil
Newcastle	£4.30-£5	£2-£3	Little change
Reading	£12	£8-£10	5% increase
Sheffield	£4-£5	£3+	5% increase lo year
Sonthamptoo	£4.50-£5.25	£2.50-£3.75	No change

Source: Bernard Thorpe, Annual Property Survey January 1983

OFFICE SPACE AVAILABLE (sq ft m)

	Placed oo market	Let	Available at end of period
January 1 1981	—	—	14.88
January-June 1981	3.98	3.47	15.14
July-December 1981 ...	6.76	3.00	18.69
January-June 1982	5.37	2.23	21.3
July-December 1982 ...	5.73	3.03	23.03

Source: Hillier Parker May aod Rowden.

OFFICE PROPERTY II

Moving to premises outside London has a number of advantages

Relocation: costly but worth it

Solar House, New Barnet, in north London, which United Dominion Trust moved staff to from its Eastcheap offices in the City

CAST AN EYE down a company's record of past annual profits and the reason given for a particular break in an otherwise commendable progression may well be that the company moved premises that year.

Relocation is costly in terms *of time, money and effort* but more corporations seem willing to undertake the problems of double-running on overhead costs while a move is taking place, the downtime on expensive capital equipment that goes with it and, not least, the sheer hassle of bedding down the staff that makes the move and training replacements for those who refused to budge.

The strongest theme in this relocation is de-centralisation. Was it purely good luck and good management that the Location of Offices Bureau scored that initial success in persuading businesses to shift out of the capital? Perhaps so, but a corporate treasurer knows a good thing when he sees one and a strategy which cuts rents, rates and staff costs within an *increasingly tight budget* is clearly deemed a good thing.

At the risk of over-simplification, the growing need to cut operating costs provides the principal thrust for today's relocation trends. What sense does it make to employ rows of clerical staff behind ledgers, typewriters and telephones in Central London—where the all-in cost of accommodation can reach as much *as £50 per sq ft*—when the same people can be absorbing as much as £20 per sq ft less outside London?

Speedy

Hand in hand with the cost-cutting impetus is the continual improvement in communications elsewhere in the country which, as anybody who uses public or private transport in the capital will testify, hardly seems to affect London. British Rail may have struck the right note in this age of speedy communications when it recently provided a high-speed train service at last to the Republic of South Yorkshire.

BOC Group, the international gases manufacturer, probably pointed up the rising level of irritation with *London's* logjams when it pulled its key staff out of Hammersmith and transferred them to new headquarters in Ascot; to reach Heathrow Airport is a much simpler proposition from this particular part of Berkshire.

It is interesting to note, however, that companies are not shifting because of any perception as to how new technologies will facilitate communications. W. Greenwell, the *stockbroking* firm, recently asked people they knew were contemplating a de-centralisation move and found that relocation was far more a response to past improvements, such as the rail and international telephone links, than any planning for, or response to, say, electronic data.

In developing the theme of shrinking demand for headquarters space in central London, the brokers believe that "ultimately the exodus of major companies from really large administration complexes, mostly built since the war, will carry bigger implications for future property values than any careful consideration of whether properties are presently a bit under- or over-valued now against other investments."

Greenwell found 21 companies considering a major move away from London and discovered that these companies alone occupy more than 3m sq ft in the capital, equivalent to about 15 per cent of all the office space now available to let or buy there.

"The volume of recent new individual companies' plans to move adds up to an unprecedented flood," Greenwell says.

The broker also challenges the commonly-held notion that it will be just the fringe accommodation areas, not the vital central locations, which will be affected by these changes. The City, for example, has been affected by the moves, planned, impending or actual, of Midland Bank, which has vacated 60 Gracechurch Street, the First National Bank of Chicago, the Hongkong and Shanghai Banking Corporation, which is surveying the prospects of leaving its 99 Bishopsgate offices, and Commercial Union and United Dominions Trust which is planning to quit 45,000 sq ft in Eastcheap.

But ICI seems to have set the ball rolling in the first place, or at least focused attention on relocation, when it announced plans to move 1,000 staff out of its Millbank headquarters, close to the Houses of Parliament, in an operation to streamline management.

Other major companies remain committed to London but will be planning to upgrade their existing accommodation rather than take new space in big new speculative office developments.

Shell, for instance, occupies several large office blocks in the centre but the giant oil group now proposes to refurbish its Shell Mex House offices in the Strand, "a building of Millbank-like scale and vintage," which it will undertake while occupying the premises. Shell, the brokers point out, "was previously listed as a 'key' tenant for development proposals such as the trouble-fraught comprehensive plans centred on Coin Street, South Bank."

Rely

Greenwell concludes that the speculative developers may no longer rely on industrial majors to take space in headquarters projects.

The news is by no means all bad for rental and asset values in London, which is perhaps just as well for the quoted companies since something over half their assets lie within the capital. The broker cites Midland Bank's sale of its Gracechurch Street freehold to a major French bank and Land Securities' letting of its 130,000 sq ft King William Street House building by London Bridge to a single merchant bank as two examples of what remains a fluid two-way letting market in parts of central London.

Rent increases, though, are *providing strong stimulus for* at least considering relocation. Greenwell found that "fully one half have sustained or are due for a rent review on their main London accommodation within the next three years, and in some cases the review is the first for decades and must be sizeable."

And an estate agent, Richard Ellis, has more to say on the subject in *its recent survey of* moving offices, Going Places. "It is now rare for a 21-year lease with no rent review to be available in Central London. Leases with review or rental stages at five-yearly intervals are much more common and many have upward-only rent escalation clauses.

"At even shorter intervals, rates and service charges can rise sharply. Unless action is taken, costs of accommodation can become a serious drain."

The estate agent lists five principal considerations to be analysed carefully before a successful move can be made. Location and suitability of premises, adequacy of communications, the financial aspects, the effect on staff and personnel requirements and, lastly, organisation and systems.

Having weighed up the pros and cons and decided to take the plunge, a business should use the inevitable disruption to make a critical self-examination of its "organisational structure and methods of working." It should discover that it can do many things more quickly, more efficiently and hence more cheaply. That may be one of the more substantial, if hidden, advantages of relocation.

Ray Maughan

The supply of research and practical guidance is growing

Confusion over new technology

"I.T." is no cuddly alien waiting to melt young hearts—far from it. IT is the ogre of information technology waiting to turn vast areas of busy offices into dusty corridors echoing to the footsteps of lonely watchmen and their guard dogs. Well, that is the view of some commentators on future office demand. Others welcome information technology, or IT, with open arms.

As far as office application is concerned, information technology is still in its relative infancy. Inevitably, a confusing number of pictures have been drawn of what offices will look like in ten and 20 years' time. Some commentators have come to the conclusion that information technology will make large tracts of current office accommodation redundant, put vast numbers of office workers out of work and turn property development on its head because we will all work from home.

Other forecasters believe that microchip technology will actually create jobs and demand for office space will be increased. The truth of the matter probably lies between the two

The Government's launch of "Information Technology Year" in 1982 should have done much to increase awareness of how IT will affect business and leisure time. But there is still a long way to go before office design catches up. As one property man recently put it: "Developers are being pulled into providing better flexibility by the tenants. They are often more sophisticated in new IT developments than the designers."

However, there is a growing supply of research and practical guidance being published on information technology and how it will affect design and, ultimately, the level of demand.

The Centre for Advanced Land Use Studies (CALUS) recently published a lengthy report on IT and its impact on office demand. The CALUS research unit at the College of Estate *Management* in Reading came to the view that IT has had a more significant impact upon the type of office space needed rather than the amount required.

CALUS is also publishing a series of 12 books, The Property Development Library, the first volumes of which will be out in a few weeks. Among the initial offering of four books is Office Design Today and Tomorrow by Tony Salota of the London surveyors Leighton Goldhill. The book's aim is to explain the systems of office development in these changing times, and not just for those on the periphery of development activity.

What exactly is information technology? IT, based largely on microprocessors, allows information, whether it be words, voice or data, to be transmitted from one place to another. It sounds simple but the concept is, as CALUS describes it, "the convergence of the three previously distinct fields of computing, communications and office."

Flexibility

Flexibility is the key. In the ideal office of the future every desk will be a data point, according to Mr Salata. It may just be for the relaying of text, such as a typist, or it may be an executive position where the technology sitting there will have to have the capabilities of transmitting and receiving information and monitoring data.

IT will obviously allow office functions to be performed in new ways. For example, the introduction of word processors in place of typewriters is a well-established form of IT that most offices are already acquainted with. But IT goes deeper than that. The consequences as it develops will be to change the pattern of office activity and, according to CALUS, the "very nature of office work."

For the moment one *of the* main problems facing property developers is the creation of flexible structures that will provide facilities for all those data points of the future which were the ordinary desks of yesterday. Every point will need power and the facilities to transmit and receive data and, presumably, tenants will be unwilling to put up with miles of cable running around their desks.

Clearly, greater use of suspended floors and ceilings will be needed. That is hardly high technology but already more modern methods are being introduced. In the United States flat cables, virtually as thin as paper, have been in use for five years or so for the transmission of both power and data.

As yet electrical engineers in Britain cannot use such cables in offices because they do not conform to the regulations. But no doubt it will come one day and then flat cables can just be run under the carpet.

Future development will also make increasing use of fibre optics. It may be a long while before this system becomes commercially viable for office use but optic cables are remarkably small compared to the traditional ones in use now. By the time the technology that is already with us comes into wide use in offices those suspended floors will hardly need any depth at all.

Ultimately, computer units will be linked by infra-red rays and not wires at all. The technology is available but it would be horrendously expensive to try it in the average office at present.

And with all those visual display units scattered around the office traditional suspended lighting may need to be replaced by lighting reflected off the ceiling and desk lamps.

The coming of IT provides the opportunity for change but so far it appears to have had only a limited impact on the overall demand for office space in Britain. The research done by CALUS shows two distinct patterns. In some cases IT has meant fewer office jobs, while in other organisations the change has resulted in each employee ending up with more space. That seems to take us back to the two totally different scenarios presented at the beginning of this article.

However, the researchers come to the view that: "Although IT may dampen the overall demand for office space, it would be wrong to assume that there will be a greatly reduced need for more office development. The nature of demand has changed significantly and many existing office buildings have become functionally, if not physically, obsolete.

"There is therefore a continued need to provide more office space both in new developments and by refurbishing existing buildings to match tenants' changing requirements."

That view was echoed in another report from the research department of London-based surveyors Richard Ellis who have just published a booklet, "The impact of the microchip on the demand for offices." The report reaches eight conclusions from a survey of office users.

- There is no evidence that office space has been reduced as a result of new microchip-based equipment when there had been an opportunity to do so.
- There is no evidence that floor-space requirements will be reduced over the next five years because of new equipment.
- Occupiers who have moved to larger premises were found to have a higher than average use of word processors.
- No link can be established at present between the introduction of microchip equipment and a reduction in demand for accommodation.
- The demand for space is more closely associated with business expansion or contraction than any other factor.
- *The majority of* users are not yet using microchip equipment but an increasing intention to do so is apparent.
- There are good grounds for anticipating that any floor space released by the introduction of microchip equipment will not become surplus to requirements but will be re-*utilised* by redesigning office layout.
- The trend of growth in the service sector has had far more impact on demand than new technology and the future for this sector is what should be considered in particular when researching office demand.

Sanguine

Richard Ellis takes a more sanguine view of IT than some of its counterparts. Yet if the electronic office is farther away than some of the suppliers of equipment like to believe, changes in office thinking are in train.

Nothing will happen overnight but if development and investors want to keep a successful portfolio they must provide what tenants want. In the uncertain and rapidly changing world of IT that is not so easy. It is hard to envisage London's office blocks becoming crumbling monuments to yesterday's requirements, yet equally it is hard to believe that they can remain as they are.

Terry Garrett

Why the modern office block is a machine for working in

Design criteria demanding flexibility

AS AREAS of over-supply have opened in Britain's office property market, tenant power is on the rise. It has manifested itself in static rent levels or worse, in modified leases and in selectivity to the point, as one observer puts it, that "office buildings have to fit the clients' needs like a glove if they are going to sell."

The objective of speculative development, of course, is not to produce custom-made buildings. So architects, designers, developers and the investment institutions producing the funds are putting flexibility high on the list of design criteria.

John Bampton, a creative director of the international design consultants Fitch & Company, pinpoints two interesting aspects of the current office design scene.

"Good developers and good funders are at last tuned in to what the user needs," he says. "In this market users have strong ideas, not only on what rent they should pay but also what a building should do for them." He puts the flexible layout of space, and the ability to sub-let part of it, high on the list of users' requirements.

For Fitch this has meant that in work with major developers like Greycoat City Offices, it came in as early as possible alongside the architects on the first phase of the company's Victoria Station redevelopment in London, which is to produce 200,000 sq ft of office space.

Studies

The company has also done studies for Greycoat on its Finsbury Avenue scheme near London's Liverpool Street station. "We tend to work on a number of planning examples," Mr Bampton says. "For instance, if accountants are going to take the space, what will they be looking for?"

Fitch is known as the consultants which wants to see buildings constructed from the inside out—an interior designed to the user's requirements, and a shell built around that. The market as Fitch sees it wants buildings capable of taking any end user, with a marriage of cellular and open space in whatever proportion is required.

"It is those buildings with flexibility and good architecture which are going to be let," says Mr Bampton. "Mediocrity is going to take a back seat."

His second aspect — "less dynamic, but important" — takes in some interesting observations of the market for refurbishment. "With the cost of building today," he says, "there is an amazing legacy of 1960s buildings with exciting refurbishment prospects of quick gains, and quick yields."

Energy

"The typical 1960s building," he says, has a good structural format and in many cases classic grids within which one can plan. "In many cases, however, they are without wire management systems, suspended ceilings and the right air conditioning."

There is an awesome energy about this functional approach to building design, characterised by a remark by architect Jeremy Mackay-Lewis, senior partner of the Whinney Mackay-Lewis partnership. "The modern office block is a machine for working in," he says.

But the machine need not necessarily be uncomfortable. Timothy Hammond, chairman of interior designers Charles Hammond, puts a plea for the right working atmosphere and environment in a recent issue of Chief Executive—the target at which he takes open aim.

"Chief executives and their senior colleagues probably spend a lot longer than the customary one-third of their weekday lives at work," he said. "Their working environment is, therefore, all important, but it is seldom given the consideration that it deserves by a company's top decision-makers themselves.

"Before calling designers in to discuss requirements, prospective clients should be clear in their own minds what they are seeking to achieve," he said, emphasising the choice between practical considerations which make the money in a "paper factory," and the favourable impact upon customers which, in other cases, could make a difference.

Hammond is currently working on a three-year design project for the Standard Chartered Bank, "taking over where the *architect left off*" on the interior design and furnishing specification of the Piano Nobile floor at 28-38, Bishopsgate in the City of London.

Image

Mr Hammond sees this sort of work — housing the chairman's and directors' offices as well as those of the senior management and including the boardroom, dining rooms and reception areas — as emphatically cost-effective — "an atmosphere conducive to efficient yet comfortable operation, a good place to sell from."

He sees the co-operate image, welcome of clients, and comfort of executives as areas of prime importance, "creating the right atmosphere, the best environment, the best work."

Attitudes not very different from these, perhaps, lay behind one of the most controversial aspects of office design at the moment. This centres on the encouragement given to design competitions by Mr Michael Heseltine, former Environment Secretary, and taken up subsequently by project managers and builder-developers.

There might seem no better way of producing good buildings, but the disadvantages of the competition method show clearly in the upsets over the architect-developer competition, held for what is known as the Hampton site—to provide offices as an extension to the National Gallery in Trafalgar Square.

Expensive

Jeremy Mackay-Lewis says that competitions are fun but expensive for the architect who is also, as a professional practitioner, denied the role which he is best qualified to perform.

The architect, he says, is best at determining a brief with a client. He derives this from a "succession of approximations" which, as client and architect come closer together, shows the latter what his client really wants.

"Sometimes we have to tell him he needs two buildings instead of one," he says. "Sometimes we say he should not build at all, and offer a different solution."

But when a client has competition entries to consider, Mr Mackay-Lewis says, he has to analyse some highly technical work — models, costing programmes, and so on. He might find that he likes parts of one, and parts of another.

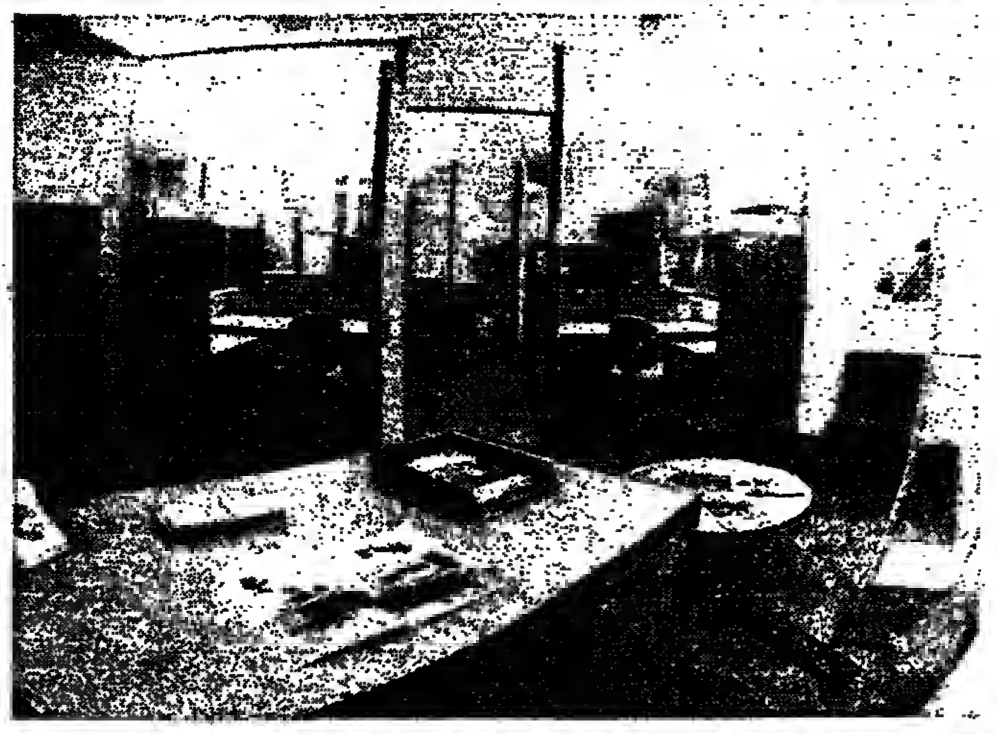
"Competitions should be judged on work which has been done. At the moment, it is like building from the street upwards, rather than from the foundations."

However, this should not obscure the point that serious thought is going on at many levels — in Government, in the architectural and design professions, and among the developers—on ways to improve both the external and internal qualities of new office buildings.

Mr Stuart Lipton, who recently resigned his executive directorship of Greycoat London Estates to pursue personal interests, made no bones about his belief that office architecture should be improved, and that he is aiming to do something about it.

Refreshingly, he was not saintly about it. "Better architecture makes money," he said. "If you look at good buildings you will find that they are also the ones with the best rents."

William Cochrane



Fisheye lens view of a third-floor office in Knightsbridge after it was replanned. A stringent approach to the use of space made the most of this narrow floor, in a 1950s block

Rate of development outstripping supply

A YEAR ago the property market was congratulating itself that the Left-wing Greater London Council's office policy had had little impact on development in the capital. Today, the market might be happier if a more restrictive line had been taken.

In a special report published earlier this year, Jones Lang Wootton said the current wave of office development in Central London is both greater in volume and of longer duration than the previous "boom" of the mid-1970s.

"In the short term, the rate of completions during 1983 will remain high," said JLW, "and we anticipate that the rate of starts will continue to decline from the very high level recorded in the second half of 1981."

What is happening in London has its parallels throughout the UK. Property development over the past 12 months has gone ahead against a background of generally restricted demand, particularly in the industrial and office markets.

Oversupply in *some* areas — the City of London "fringe," off-centre in Edinburgh, parts of the "Western Corridor" on and around the M4 motorway are just a few examples — has made matters worse. "Indeed," say Edward Erdman, "much of the construction of schemes set in hand earlier in the year may not have taken place had the lack of current demand by tenants been apparent at an earlier stage."

Factors

Erdman pick out two other, possibly more important, factors in last year's development activity. In early 1982, they say, funding was relatively cheap and easier to get than later in the year, when "more cautious institutional attitudes inevitably prevailed."

They also highlight the willingness of building contractors to undertake projects on slim profit margins to maintain some continuity of work, and to keep their workforces together. "Some contractors," they say, "have been prepared to take on the risk position of funding schemes in the interim in the expectation of forward sale arrangements with institutional clients in competition."

But low building costs can only make competitive rents possible. When demand does not meet supply, this hardly matters. Erdman talk of reduced private sector demand coupled with the virtual disappearance of public sector requirements, and say: "Despite near-static costs, the viability of new schemes in most areas remain marginal with rents showing little or no growth."

They see only the most important regional centres, like Glasgow, continuing to attract developer interest outside South East England. In the South East, they take the view that popular areas for decentralisation of office stock have become almost too popular; their main attraction, cheap rents, is not what it was.

Yet, where the conditions are right, large-scale office development is still going ahead without a qualm on the part of the developer. Only recently, Westminster City Council saw a £70m plan for the further redevelopment of London's Victoria Station, incorporating 450,000 sq ft of offices in addition to the 200,000 sq ft already under construction.

The scheme was put forward by British Rail and Greycoat London Estates, the latter owned 50 per cent by Greycoat City Offices and Sir Robert McAlpine and Sons. On the concern expressed by property professionals about the actual and potential vacant office space in Central London, Mr Geoffrey Wilson, deputy chairman of Greycoat City Offices, said: "These reports do not make us nervous at all; we have an outstandingly good location."

The property developer, of course, is in the business of development with or without his own funds. If without, he has to look elsewhere and there has been a general feeling lately that institutional investment managers are less prepared than they were to risk their cash flows on the UK development market.

Edward Luker, a partner of Richard Ellis, debated the point lately at a Profex symposium organised by Philip Shipman on new concepts in property development finance.

"Notwithstanding the general air of despondency," he said, there is in reality a very active funding market." In Mr Luker's experience, few if any good schemes fail to attract the necessary funds. "It may take longer to arrange the method of funding," he noted, "it may not eventually be the method the developer had hoped for and the price may be lower, but the money is there."

Speaking at the same symposium, Mr John Parry, managing director of Commercial Union Properties, advanced the institutional view. He said the proportion of pension funds' cash flow available for investment in property has tended to diminish, for a number of reasons.

Topped up

One of them is that "the degree of underfunding is passing." In other words, for a period the actuarial calculation of a pension fund's eventual obligations exceed the money being paid into the fund, which in some cases had to be "topped up" from corporate funds—giving the manager more to invest.

There was also unemployment, reducing the money being paid in, and indexed linked gilt edged stocks with yields close to the parameters against which property had *performed* in the long term.

Thus, said Mr Parry, the funds' capacity to do deals has diminished. "With deals over £5m we now get a discount for size compared with £10m six months ago—the size of transactions has also tended to diminish," he said.

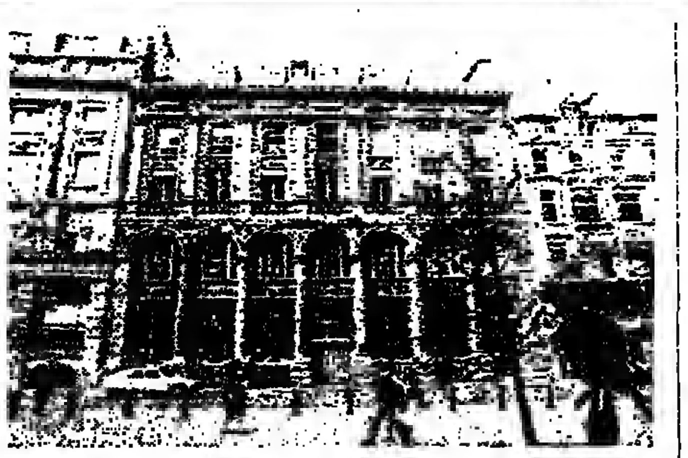
The passing of six months has, in fact, made a visible difference. In July of last year the value of prime office land in Birmingham was underlined dramatically by the £3.6m paid for a half-acre site by W. A. Blackburn, a Coventry-based private developer.

But some of the warmth had gone out of situations like that by the early winter of last year. Healey and Baker in a current round-up of the UK office markets pick out this sole development point: "We believe that in the past three or four months there has been a noticeable tail-off in what was the ever-bullish approach by developers to acquire office development sites with planning consent."

In their view, the main interest for developers now seems to be in small schemes and refurbishments in the provinces, "and one hundred per cent prime locations at that."

William Cochrane

Difficult to invest in hard year



The old Royal Bank of Scotland building in Bishopsgate, sold for more than £11m

LAST YEAR was not a good one for the institutional property investment market in general. Offices, on average, took a median line between shops—values growing, but much more slowly—and industrial property, which went into decline.

Jones Lang Wootton's latest Property Index, published in January, showed office investment performance at an absolute standstill in terms of capital values between December 1981 and December 1982, against rises of 12.8 per cent and 7 per cent respectively in 1981 and 1980.

JLW emphasised that this applied to the sub-sector as a whole, but not to its individual parts. "A study we have made of the offices in the Index portfolio reveals a wide spread of overall returns ranging from minus 11½ per cent to plus 18.8 per cent over the year," they said, "emphasising that even when the general perception is that nothing much is happening in a market, returns on individual properties can be performing in a widely disparate manner."

The problem for some, the opportunity for others, is straightforward supply and demand. Healey & Baker said in December that for offices, clear oversupplies prevailed in *some areas*. The strongest market remained in the south, they said, and was concentrated on properties valued at less than £5m, the most popular targets for the smaller institutions.

Several months later Paul Orchard-Lisle, *H & B* partner in charge of investment and research, has noted a marked shift in emphasis in the institutional investors' attitude to direct property investment, bringing enthusiasm back into the market. But the enthusiasm was concentrated on shopping. On offices, his attitude was still strictly neutral.

There is still plenty of mileage at the top end of the market. Nothing, it seems, stirs the imagination of agents, developers and investors more than the odd City of London freehold which becomes available now and then. When the Royal Bank of Scotland decided to dispose of three last year—two adjoining in Lombard Street and Birchin Lane, the *other in Bishopsgate*—this became a considerable talking point.

The recently-announced final sale, 3-5 Bishopsgate for over £11m making a £20m-plus total, illustrates why. The property has been bought by London & Edinburgh Investment Trust; the Grade II listed building is to be refurbished to expand net floorspace from its present 20,000 sq ft to 31,500 sq ft.

The result should be an uplift in value to about £18m with both Drivers *Jonas*, acting for the Bank and Wright Oliphant and Hillier Parker, representing the buyer, apparently happy with the result.

PERCENTAGE RELATIVE YIELD MOVEMENTS
(In relation to prime freehold office investment of £2m)

	Completed and let	Non-risk	Minimal risk	Medium risk	High risk
1973	4.5	4.75	5	NA	NA
1974	7	NA	NA	NA	NA
1975	6	6.5	6.75	NA	NA
1977	5.25	5.5	5.75	6.25	NA
1980	4.5	4.75	5	5.5	6
1983	4.75	5	5.25	5.75	6.25

NA indicates method not generally available.
Source: Richard Ellis

Reading between the lines, it might seem that the focus of the investment market is changing. Professionals seem to be coming to terms with the need to do much more research before, and perhaps take more action after, an investment decision is made.

Queue

One of the first authoritative forecasts of the New Year came from Richard Ellis, which then reckoned that an upturn was only *six* to nine months away. By then, it believed, the queue of investors waiting for the right time to buy could have reached daunting proportions.

Ellis believed that an investment market should thrive on volatility, as long as the information was there for investors to take two-way decisions.

The firm warned that when investors finally do decide to take the plunge there will be a scramble for plum properties, accompanied by soaring prices and yet another breakdown in the market mechanism, from overactivity this time rather than from a dearth of business.

To an extent the agents and the investing institutions have been caught out by their own penchant for prime properties, or *at least for talking in terms* of them. Prime yields were the centre of attention last year, threatening to rise in the spring and doing so in the summer.

Institutions, too, have had problems of their own. Michael Hallett, investment/research partner at *Hillier Parker*, said at a recent Profax symposium that in the 1977-81 boom years for property, funds had made a strategic decision to invest 25 per cent of their portfolios in the sector.

That meant, he said, that sometimes 50 per cent of the funds' cash flows were going into property in those years to get the portfolio up to the 25 per cent mark. In 1981, he said, they got there. The bigger funds had gone more into property than the others, they were subsequently hit more by redundancy and they had less money to invest in 1982

He noted that investment statistics showed cash flow for *the pension funds down 12* per cent in the first nine months of the year, and their investment into property down by 15.5 per cent. The drop, in Mr Hallett's view, was actually much more than that Government statistics, he said, were gleaned from *stamp duty returns* and probably were a minimum of nine months out of date.

An added ingredient to the flow of funds equation was the raising of exchange control in 1981. Some funds made another strategic decision, he said, this time to go overseas, with obvious repercussions on their ability to invest in the UK.

So—as usual after the event—there are any number of reasons why the office property market was sluggish in 1982. Edward *Erdman qualifies this in its 1982* report by noting: "There was considerable competition for prime office investments throughout 1982 in spite of rentals remaining generally static." The same, no doubt, could hold true of 1983.

William Cochrane

Planning red tape cut

MR MICHAEL HESELTINE'S tenure as supremo at the Department of the Environment may not go down as one of the most popular, but his attempts to cut through some of the red tape of Britain's property planning system have certainly made their mark.

Not least of his controversial actions came with the "swan song" of planning decisions announced a few days before last Christmas.

In that week alone Mr Heseltine made no fewer than four decisions which could dramatically change London's skyline.

● The design team of Ahrends, Burton and Koralek were appointed architects for the National Gallery's new extension in Trafalgar Square.

● Approval was given to plans for redevelopment of the old Billingsgate fish market in the City to provide a new commodities exchange with office development.

● Approval also went to plans to build on 13 acres of land near Coin Street on the South Bank, between Blackfriars and Waterloo Bridges.

● The go-ahead was given for a £30m plan to redevelop the St George's *Hospital site at Hyde* Park Corner.

The appointment of Ahrends, Burton and Koralek fuelled the hotbed of architectural debate over the National Gallery extension. The competition has closed with all the hallmarks of a compromise. In the first round of the competition there were 79 entries for the coveted scheme. Seven were selected for stage two for which more detailed designs were submitted. Of these, three were selected by the assessor—those by Ahrends, Burton and Koralek; Arup Associates and *Skidmore Owings* and Merrill.

However, the advisers were unable to put forward any of the three schemes as they stood and the announcement date of the winner was put back so that all three entrants could go away and rework their plans. At this point a division between the trustees of the gallery and the advisers became evident.

The trustees favoured the Skidmore scheme, the advisers not representing the gallery leant towards Ahrends' proposals. Ahrends won the day though it was sent off to draw up a new design.

No less controversial was Mr Heseltine's move on Coin Street. Despite two marathon planning inquiries costing £2m the furore surrounding the site has hardly abated. The Minister gave outline planning permission for two schemes for the Coin Street site. Greycoat Commercial Estates has won approval for the smaller of its two plans involving 1.3m sq ft of mixed commercial and recreational space, including 850,000 sq ft of offices.

Mr Heseltine also gave outline approval for an alternative set of proposals put forward by the Association of Waterloo Groups which has the backing of Lambeth and Southwark Councils and the GLC. Its scheme is for housing, industry and open space.

The association, local councils and the GLC have now put their combined weight behind appeals against the Greycoat scheme and are moving through the courts to prevent the 1.3m sq ft development going ahead.

Hackles

Yet if the Minister's attitude towards planning caused a few hackles to rise, it certainly had a plus side. Talk to property developers today and there *seems to be a general feeling* that Mr Heseltine's reign as Environment Secretary did engender a more positive attitude towards development among planners at all levels.

One of Mr Heseltine's more memorable moves was the use of a special development order for the Arunbridge project on the South Bank at Vauxhall Bridge. Plans for the highly-controversial site, known as the "Green Giant," had run into enormous opposition from local parties, and indeed Mr Heseltine had thrown out a scheme for the site earlier in his time as Environment Secretary.

Using classic carrot and stick tactics, Mr Heseltine got Arunbridge to hold an architectural competition for the site. In return the path of planning would be smoothed by the use of a special development order.

However it was not a resounding success. Arunbridge had reserved the right to make the final choice of design rather than leave it to an independent body of judges. A public exhibition of the various proposals was put on and visitors invited to vote for the project they liked best.

As a public relations exercise it was impressive, but the result of the voting was not made public and the choice of a zig-zag office development was far from popular. Mr Stuart Holland, Labour MP for Vauxhall, called the project "scandalous and indefensible." Nevertheless, the scheme was already on the escalator to approval and passed through Parliament last summer after some lively debate.

The GLC would argue that their longrunning assertion that the level of office stock in London is adequate to cope with foreseeable demand without more large developments, is now being vindicated by the increasing evidence of research. For example, the recent report by the Central London Offices Research—a monitoring process undertaken by chartered surveyors Jones Lang Wootton—underlines the potential imbalance of supply and demand in the London market.

The *report states:* "Completions during 1982 and 1983 will total over 10m sq *ft.* gross—a high level relative to previous years. This amount of new floorspace will provide a severe test of the strength of demand for top quality offices in central London in the short and medium term."

At present County Hall is wondering what line Mr Heseltine's successor, Mr Tom King, will adopt. It would be unrealistic to think that there will be any major shift of policy. Nevertheless, the GLC is watching a couple of appeals currently on Mr King's desk with more than passing interest.

Terry Garrett

Conditions in a number of important markets are reviewed here and on the next page

Hit by recession

The City

THE CITY of London—in terms of rents, rates and service charges—remains one of the most expensive office addresses in the world.

However, the City, despite its undoubted strengths and attractions, is not immune to the effects of economic recession. The market has suffered in recent months as tenants have failed to materialise in sufficient numbers to fill all the office space planned.

However, the market is not suffering uniformly. The recession has not reached some parts of the City office market that recessions, as tough as this one, might be expected to reach.

Rents, notably in the City fringes, may have generally stagnated; in some cases rental levels will have fallen once special deals and rent-free periods are taken into consideration.

But in other areas, mostly in those few key streets around the Stock Exchange and Bank of England, demand has remained strong and rents have continued to rise throughout the recession.

Richard Ellis in its latest review of the City office market says: "The pattern of rental growth has closely followed supply/demand variations in the City reflecting the distinction between central and peripheral locations.

"Rents in the central area, mainly those for prime buildings have shown substantial increases of up to £3 to £4 a sq ft during the past 12 months—rising by more than 20 per cent in some instances. This movement in top rents is clearly a reflection of the scarcity of first-class accommodation in the area.

"In contrast rental growth outside the main banking/insurance area was noticeably lower, with values in the Fleet Street and Holborn areas and other peripheral City locations remaining static. The high level of availability in relation to demand in these areas has resulted in many *properties* taking a *considerable time to let*," Richard Ellis says.

Interest

Chris Peacock of Jones Lang Wootton does not expect this situation to alter materially during 1983: "Judging by some negotiations taking place in the market, and the strength of interest being shown in some buildings by prospective tenants, we can expect to see reasonably strong growth in rents in the prime banking quarter of the City during 1983.

"For the rest of the City, we expect to see little if any growth in rents this year, with rental levels having more or less reached a plateau in fringe locations."

In one of the top deals of 1982, National Bank of Kuwait agreed to pay just over £32 a sq ft for a 9,850 sq ft suite of offices in 99 Bishopsgate let by Jones Lang Wootton on behalf of Hong Kong and Shanghai Bank

But rents like this are the exception rather than the rule

The imbalance between supply and demand has been made wider by the early marketing of schemes—some *not due for completion for many months*—by developers concerned that if they wait, conditions in the market may worsen.

The market has not been helped by the wide publicity given to the decisions by several longstanding City occupiers to move to cheaper accommodation elsewhere. Commercial Union, for example, has announced plans to transfer the jobs of about half its 2,400 London staff to offices in Croydon and Basildon.

At the beginning of this year First National Bank of Chicago surprised the market by announcing plans to vacate its City headquarters to move down the road to MEPC/Legal General's 190,000 *sq ft Long Acre development* in Covent Garden.

Commercial agents say—not surprisingly—that the significance of these relocations have been over-stated.

Nonetheless, moves by major companies such as Commercial Union, UDT and others indicate that all is not presently well with the central London office market.

Andrew Taylor

Discriminating tenants

West End

TWO OPPOSING forces are now at work in the West End property market. On the one hand, the demand by international corporations for prestige space in the heart of the more fashionable areas seems to be as strong as ever. Similarly, interest in small suites continues unabated.

But if small remains beautiful, and what is fashionable remains important, the other side of the coin is the trend toward large occupiers withdrawing from some hitherto very strong letting areas.

Above all, as Savills have pointed out recently, 1983 is the year of the "discriminating tenant." The West End office market is beginning to show divergence in the letting achievements of the prestige areas, and the peripheries, and between modern, flexible space within the fashionable core and adjacent refurbished accommodation.

Many buildings in the West End, as the estate agents have noted, *are listed as being* of architectural interest.

Often originally designed as houses with large individual rooms, "there are many examples of refurbished listed period property in prime locations which remain unlet for long periods of time."

St James's Square, which has become one of the most sought after office locations in the capital, is an example of the letting differential which has emerged.

The Post Office Staff Superannuation *Fund* let its 46,000 sq ft modern office development at 8 St James's Square to Enserch Corporation, the U.S. engineering group, for a reported £24 per sq ft. However, the next-door building, part of the same development, is a listed building and is under offer at a rent believed to be less than £18.50 per sq ft. This discrepancy, the agents feel, "highlights the large gap in demand between modern quality space and older refurbished offices."

The area as a whole, like so many others, is forced to come to terms with a substantial oversupply of space. There is about *2.5m sq ft of accommodation* available in the West End although agents put this in the context of a total of more than 49m sq ft of office space available in the City of Westminster. Very little new space, modern, efficient and above all flexible remains unwanted for very long.

Two-tier

In addition to the continuing attractions of St James's, agents universally cite Covent Garden and Mayfair as locations of strong appeal. Knightsbridge, however, may be becoming something of a two-tier market. Small suites, usually comprising between 2,000 and 10,000 sq ft of net space, are still letting well.

The area around Hyde Park corner is stimulating a good deal of interest, say agents Savills, which are now marketing 24,000 sq ft of prestige accommodation. They confidently expect to achieve rents in excess *of £20 per sq ft*. In addition, the redevelopment of St George's Hospital at Hyde Park Corner by Grosvenor Estates is starting this year.

Yet major corporations are contemplating moving out of the larger blocks. Further west down Knightsbridge itself, Healey & Baker note, there is now some 50,000 sq ft available on various floors in Bowater House.

The drift out of large-scale accommodation to smaller executive suites elsewhere in London, or outright moves from the capital, has probably been most marked in Victoria, previously an area of marked *under-supply* as major Government departments and oil companies have taken space between the rail terminal and the Houses of Parliament.

That over-supply may be reversing and agents in general believe that if rents actually weaken anywhere in the West End this year, Victoria may be the principal area.

Large corporations such as Blue Circle—which is to vacate 300,000 sq ft at Stag Place in favour of premises under construction at Aldermaston—the British Steel Corporation, British Airways, Phillips Petroleum and Esso, are all examples of companies which have said they are moving or contemplating a move.

Rents in large offices are generally expected to stay static throughout much of the area this year although continued demand for modern, single-floor suites could lift rents for such space by over 10 per cent.

Ray Maughan

Central rents rising

Manchester

LEVELS OF inquiry have remained depressed in Greater Manchester over the past year but rental values for prime properties in the centre of the conurbation have continued to rise and have now gone through the £6 per sq ft barrier.

The Tootal Group has taken a lease on the entire 39,000 sq ft of Kent House, Spring Gardens, at more than that figure though two floors have been sub-let to banks.

Agents Dunlop Heywood say the pace of inquiries has quickened over the past two months and is beginning to show through in firm lettings.

Space outside the central core and second-hand space generally has been hard to let. W. H. Robinson says the recession has forced a rising number of companies to sub-let space they do not require.

Dunlop Heywood's report for 1982 says that for the first time for some time surburban Manchester attracted fewer lettings than the city centre. Nevertheless, there have been a few over 10,000 sq ft, including Data General's lease of 13,000 sq ft at Parkway House, Northenden.

Most agents say the market outside Manchester has been rather flat, though at least one continues to argue that places close to motorways such as Sale, Altrincham and Stockport remain relatively popular. Rents in these centres tend to run in the £4.50 to £5.50 range which is very similar to average rents in Manchester. *Stockport* has tended to lag behind but the benefits of the M63 motorway extension may begin to show through.

Take-up of space has been lower in many parts of the conurbation in 1982 than in previous years. Two to three years ago, for example take-up in the centre of the conurbation was about 200,000 sq ft, but this was down to some 160,000 to 180,000 of new or refurbished office accommodation last year.

An increasingly critical factor is the availability of car parking, though this is frequently less of a problem in the suburban centres than in the heart of the conurbation.

Fillip

Manchester City Council's decision to abandon its ban on the provision of car parking space linked to new office development has been a fillip to new office building and renting. Much of the accommodation available in the conurbation's core, however, is refurbished — with no available car spaces — and much of it is proving very awkward to shift.

There is an awful lot of accommodation available, though the amount of new prime office space has been shrinking. Bernard Thorpe's available property table for the centre of the conurbation at the beginning of this year included 213,000 sq ft in new or relatively new developments and 157,000 sq ft of major refurbished space, but some of this has now gone.

The former includes the 11,400 sq ft of the New Queen's Court, most of the 112,000 sq ft of Heron House and about 40,000 sq ft at Arndale House.

In the core of the conurbation, developments in hand include 14,000 sq ft at Clarendon House, Mosley Street, by Styles and Wood in conjunction with Sun Life Assurance of Canada and Sibec Developments' 15,000 sq. ft at Hanover House, Charlotte Street, an increasingly popular area. There is also European Property Corporation's refurbishment — Atrium on Booth Street.

Outside the central area, developments include the 26,500 sq ft Enterprise House, Stockport by Blade Construction and Orbit Development's 28,000 sq ft scheme at Daw Bank.

Sale has a number of schemes completed or under part offer including Dares Estates 10,000 sq ft block in Washway Road, and the 12,000 sq ft Springfield House.

Bernard Thorpe says the "mass exodus" from Manchester city centre might now have been halted, but warns that the high level of Manchester rates may continue to encourage those companies which do not specifically need a city centre location to move out to the suburbs.

Finally, still in Manchester, there have been a number of significant lettings other than that of Tootal at Kent House. National Westminster Bank has taken 18,000 sq ft as the first tenant in Heron House, Albert Square and some other space in the new building is either under offer or has been taken up.

The huge amount of office accommodation which was built in the 1970s as part of the Arndale shopping complex — the biggest undercover shopping area in Europe when it was first built — has always caused an oversupply problem for Manchester city. Dunlop Heywood says though that it continues to attract tenants, including London and Scottish which has taken 15,000 sq ft.

Nick Garnett

Optimism but a mounting stock of unlet space

Bristol

"YES, WE have had a disappointing 12 months, but this year we are much more optimistic. The fact is that many of the 21-year leases signed by companies taking offices in London in the 1960s are coming to an end about now, and a number are looking to the West to reduce their overheads."

Recession or no recession, leading Bristol agents Hartnell Taylor Cook and Lalonde Bros and Parham both remain undaunted by tho city's mounting stock of unlet office space. The same is true of a number of developers.

At the latest count, there was about 625,000 sq ft of empty space available and a further 500,000 sq ft under construction. Yet the take-up last year amounted to no more than 100,000 sq ft.

Bristol has known difficult times before. The collapse of the early 1970s property boom, when Bristol benefited from the arrival of several major insurance and banking service groups, left the city with over 1m sq ft of new office space and no takers.

However, the situation gradually improved thanks not least to an influx of new technology companies, and by the end of the decade the market was beginning to look very tight.

So far it has been an uphill battle to attract tenants to even the best of the new round of developments. Standard Life's *Broadquay House, a 77,000 sq ft* top quality building in the heart of the city alongside the floating harbour, has been available for more than 18 months. But lettings have been confined to two floors.

Similarly, only three of 17 floors have been let in St Martin's 132,000 sq ft Castlemead *tower buildings*, another well-located development close to Bristol's main shopping area.

Even Bristol's by now well-known Aztec West High Technology Park, on the northern outskirts of the city, strategically located between the M4 and M5 motorways and near to *Bristol Parkway* station, is proving much slower to develop than its sponsors, Electricity Supply Nominees, originally hoped.

Although there have been some lets during the depths of the recession, most recently to Benson Electronics and Geac Computers, more emphasis is now being placed on its office potential in an effort to speed development.

Amenities

To this end, plans have just been finalised for a 40,000 sq ft speculative office building on the site. Work will begin in July; but, it can be argued, Aztec West so for still locks some of the amenities required by a large office population—notably lunchtime shopping facilities.

On rents, the intensity of the current recession has led to some weakening over the past year in prices for accommodation in less favourable locations. In prime spots—both city centre and ot Aztec West—a new high of £6.50 a sq ft has been ochieved and new projects are looking for £7.

The underlying optimism in the Bristol office market is based on two arguments. One is that a healthy market requires about 10 per cent empty stock to be available at any one time. Bristol has an overall accommodation stock of some 10m square feet, so thot the new space either already built or in the pipeline will only push up the percentage of unlet space to about 13-14 per cent.

The newly-completed Castle Gate scheme. Some other larger schemes in Bristol owait a market upswing

Given a return to the long-term average take-up of about 250,000 sq ft a year, the argument goes, the present surplus should be absorbed without too much difficulty.

The other argument is that tho conditions which led so many companies with large office requirements to move from central London to Bristol in the early 1970s, still hold true. In Bristol, quality office accommodation presently costs at most £6.50 a square foot, plus £4 in respect of rates and services, giving o total accommodation cost of £10.50 o sq ft.

Moreover, the rapid growth of modern communications technology is further undermining the logic of paying high London rents and rates when so much cheaper occommodation in an amenable environment is available elsewhere. In Bristol's case, London is less than two hours' journey time, either by car via the M4, or on British Rail's regular high-speed 125 service.

These benefits apply to many other centres outside London, of course, but Bristol has a distinct edge. Apart from being a major city in its own right, survey after survey has shown that when it comes to possible job relocation, the West Country is favoured by more people than any other part of the country as the place where they would most like to live.

Against this background, a number of significant speculative developments are pressing ahead. The most ambitious is the 177,000 sq ft Espley-Tyas development on Bond Street immediately opposite the Broadmead Shopping Centre, which is being funded by the Prudential.

Work *has also started* on o 96,000 sq ft office development on the King's Cinema site in Old Market — the builders are Arunbridge — and on Co-operative Insurance's 65,000 sq ft Brunel House development ot the foot of Park Street.

Among the developments just completed is an 83,000 sq ft development ot Castle Gate for Clerical, Medical and General. But a number of other larger schemes, although arranged in financial and architectural detail, await an improvement in the market or o pre-letting arrangement before moving to the bricks and mortar stage.

Robin Reeves

Plenty of inquiries but few deals

Swindon

THE development of office property in Swindon over the next few years has been spurred on by two main factors: the limited availability of suitable sites in central areas; and the generally optimistic view of the town's development potential.

Land which planning authorities bove earmarked for office development, at least in the short term, has attracted institutions such as Commercial Union, Sun Alliance, London and Manchester Assurance, and the locally-based company Hambro Life.

It is estimated thot office projects now under way or planned will add about 250,000 sq ft of office space to Swindon by 1986, benefiting the town's industrial and commercial development unit in its drive to attract more office occupiers from London.

One of the largest projects being undertaken is the Hambro Life-Taylor Woodrow development on the old bus station site, where phase one will provide 100,000 sq ft by the summer of next year, with a further 150,000 sq ft to be built in later phases.

According to local agents Farrant and Wightman, there is now up to 250,000 sq ft of spoce currently available in the town, much of it speculatively built in smaller-sized units which have not attracted immediate takers.

Asking prices for smaller offices are now £3.50 to £5 a square foot, while those between 5,000 and 20,000 sq ft are letting at between £5 and £7 a square foot, and larger space is ovailable at around £7.50, with a premium on top of that for air-conditioned space.

Although a number of agents report an increasing level of inquiries and a number of imminent lettings, there have been very few significant deals recently, at least since the letting of two floors of Holbrook House last year to the National Environmental Research Council.

Another major development in Swindon is the Newmarket Street scheme on five acres of land owned by Plessey in the town centre, for which planning *permission for 120,000 square* feet has been granted and an appeal to increase this to 200,000 square feet is now pending.

According to Farrant and Wightman, there is strong interest in the development, owing to the fact that there are only two sites of this kind in Swindon which would be suitable as o pre-let for a large company wishing to move to the town.

Campus sites

There are also a number of *important campus sites such* as Westlea Down and Interface 16, owned by Bredleys, which offers 40 acres of fully serviced land, while the St Martin's Property development on 80 ocres at Windmill Hill is aiming at high-quality office and industrial developments.

An additional 300,000 square feet of space is available for an owner occupier at the council's Croft development site, which a number of companies have seen and are showing interest in. "The inquiries we are now getting are more confident, with senior people becoming involved, which is a good sign," Farrant and Wightman say.

It is felt by most agents that one substantial letting in Swindon, such as the 50,000 square feet prestige Swindon 125 development being marketed by J. P. Sturge at £8.50 a square foot, would probably break the log jam and lead to further deals by companies faced with a wide range of options.

Mr Simon Bitmead of J. P. Sturge said that he was awaiting decisions on a number of very strong inquiries, adding that the level of interest this year was probably 100 per cent up on 1982. However, he questioned the estimate that as much as 150,000 square feet of space was available now, and suggested that it was probably below 200,000 square feet.

Mr Peter Barefoot of agents Gibson Eley said be believed the key to office development in Swindon was the degree of success the town authorities were likely to bave in chonging the local employment structure from one of mainly industrial activity to administration.

He said that the planning outhorities bad earmarked limited areas of land for office development, and that these limits had encouraged institutions to acquire the land while it was still avatloble, with the result that development was going ahead of demand.

It appears that the take-up of space in Swindon in the next few years will depend to some extent on the response from London to the exodus of office occupiers to cheaper accommodation in the provinces.

If rentols in London fall and the advantage of Swindon and other centres is eroded, it could be some time before the space now being developed is taken up. However, Swindon enjoys the advantoge of having generally lower rents than many of its provincial competitors, particularly those along the M4 western corridor.

Lorne Barling

Public sector the driving force

Glasgow

THE OFFICE PROPERTY market has helped to change the face of Glasgow. After years of decline, first as a centre for heavy industry and then as a trading point for North America, Glasgow is making something of a comeback as a service centre for Scotland.

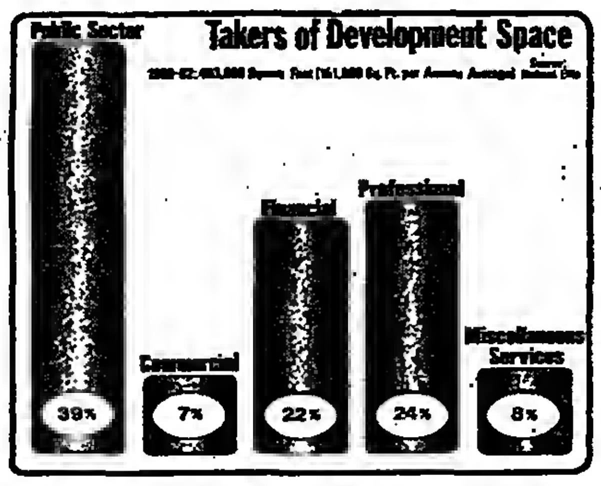
The motorway which once ran like an axe blow through the centre of the city, in the past five years, has seen new building growth in the derelict land on either side of the roadway.

The conscious effort to move Glasgow's population out of the city into the surrounding new towns has ended and the city feels much less of a place to "get out of."

Service industries are mainly responsible for tho growth now taking place in the office property sector although clearly the recession and the plight of heavy industry in the Glasgow area will be with the city for many years to come.

The public sector has been the main driving force in office development with large areas of space demanded by Britoil, the *Ministry* of Defence and the Scottish Development Agency.

From 1961 to 1971, according to a survey by agents Richard Ellis, 51 per cent of the take-up for office development space came from this sector, while from 1980 to 1982 it accounted for 39 per cent of the market.



One problem with strong public sector movements has been the distorting effect which one big move can have on the office market for a medium-sized city.

The recent Britoil announcement is a case in point. The *privatised* part *of BNOC* awarded Wimpey Construction the management contract for the construction of its new headquarters in the city.

At 490,000 sq ft, the new building will not only be one of the *largest* office projects in Scotland, but also account for the equivalent of three years of development take-up in office space for Glasgow.

The new beadquarters for the *oil company is* one of the monuments to new growth around the motorway, which forms the northern and western part of tho Glasgow Ring Road.

The Richard Ellis survey shows one of the greatest increases in demand for space in Glasgow comes from tho professions, which now account for 36,000 sq ft per year of development space take-up.

Mr Gordon Milne, of Scottish Metropolitan Property, shares the view that the service industry is the principal feature of office development.

Richard Ellis notes that the take-up has fallen off in late 1982 while speculative building has kept up its momentum, suggesting a possible surplus in a few years' time.

Take-up throughout the recession has been a healthy 151,000 sq ft over the past three years compared with an average of *147,000 sq ft a year* for the previous 19 years.

Over the coming three years the agents expect the take-up to keep to this 150,000 sq ft level, with about a third of the development in the central area.

DCI have been among the most active developers in the office space sector recently. According to Mr Allan Campbell *Fraser*, chairman of *DCI*, the company attracted £26m to Scotland in 1982 including £12m funding for o 140,000 sq ft office development in Argyle Street. The development includes nine shops and n canopied walkway.

DCI have also completed work on 37,000 sq ft of office accommodation on West Regent Street where an office complex has been built on to o Victorian red brick facade.

Rents are unlikely to be pushed too high with supply keeping a strong margin ahead of demand. They could increase to £5 to £6 sq ft, while some central prestige blocks may fetch £7.

Mark Meredith

Offices seen as city's hope

Birmingham

BIRMINGHAM'S cost-cutting, Conservative-controlled city council is likely to be fighting for its political life in tho forthcoming May municipal elections.

The slender majority wrested from Labour 12 months ago is under threat because one-third of the council retires each year. But the leading Tory politicians havo already thrown their weight firmly behind a recent officers' report that the city should develop "its full potential as a major office centre."

Office-based commerce is seen as "the greatest opportunity for increases in employment in the West Midlands over the next 10 years." And in today's depressed markets Birmingham is the major focus for what limited development is taking place throughout the region.

The city is stressing the need to bring into use currently under-used land and buildings. Priority is promised for sites close to public transport facilities, particularly railway stations.

Officers maintain there is sufficient land potentially ovailable to cater for demand for new floorspoce for several years. If demand warrants, a supply exists of buildings which could be refurbished *or* redeveloped.

The council with the aim of promoting *new schemes* in the central area has identified some 85 sites likely to be attractive because they involve either vacant land or *empty* premises ovailable for early development.

Some of the sites already enjoy planning approval for offices and range from individual period buildings suitable for refurbishment through to land holdings on which multi-storey blocks could be built.

Not only does the council promise "favourable consideration" of schemes for the named sites but it also points to "many other locations where office development would be appropriate."

The fact the Conservative administration's cost-cutting has made possible a cut in rates for the forthcoming financial year is seen as a token of its commitment to business development.

But there has been no stinting on capital spending: money raised from the sale of council housing and land is being pumped back into the local economy.

The Conservotives have taken up the Labour initiative to try to establish Birmingham as o centre for the international convention business. Current studies will clearly point to a five to 10-year programme but will nevertheless have important consequences for the office sector.

The Broad Street area, at present struggling but providing the important link between the city centre and the Edgbaston offices district, is crucial to tho plans for a convention centre. Office development sites have already been pinpointed by the city council.

Accelerate

Of more immediate concern is the potential fillip provided by the Government's scheme for urban development grants aimed at accelerating projects such as completion of Birmingham's Paradise Circus complex. The 2.7-acre site close to the heart of the city *has remained undeveloped* for eight years.

Henry Boot (Developments) was given planning consent towards the end of last year for nearly 230,000 sq ft of offices as part of a scheme for a new hotel, restaurants, and extensions to the present school of music.

Total building time for the project would be about four years, but the timing of the office content is obviously the issue that excites the interest of developers.

Work has already started on the redevelopment of the Snow Hill Station site in the city centre. Tho first phase will be 66,000 sq ft of offices though the 6½-acre site could accommodate upwards of 250,000 sq ft of buildings.

Of the major new schemes under way, the first to be completed, this month, was Berwick House, a 63,000 sq ft block by Ulster Properties. The agents maintain there is a shortage of such high-quality accommodation and are confident they will achieve rents of "at least £6.50 a sq ft."

Almost ready for *occupation* is Civic House, with 80,000 sq ft where rents nearer to £7 are likely to be sought. The next big scheme to reach the market will be a 60,000 sq ft block by Embassy Developments, while work is well advanced by Tarmac on *its 120,000 sq ft building* near to Victoria Square.

Outside the central area in Edgbaston, the market remains slow, in a district which suffered from over-supply in the boom years of the 1970s.

Solihull *continues* to develop as a significant office centre, with several small schemes under way. BL, because of its cuts, currently has two large blocks on the market totalling 130,000 sq ft.

Arthur Smith

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

TRADED OPTIONS

EUROPEAN OPTIONS EXCHANGE

Series		June Vol.	June Last	Sept. Vol.	Sept. Last	Dec. Vol.	Dec. Last	Stock
O/FL C	F.270	105	4	—	—	—	—	F.270.65
O/FL C	F.273	4	2.80	—	—	—	—	"
O/FL P	F.260	38	3	—	—	—	—	"
O/FL P	F.265	450	5.40	—	—	—	—	"
O/FL P	F.270	10	8.50	—	—	—	—	"
		May		Aug.		Nov.		
GOLD C	$330	2	80	—	—	—	—	413.3_8$
GOLD C	$400	17	40	—	—	3	64	"
GOLD C	$423	70	22	66	37	—	—	"
GOLD C	$450	42	10	74	24	1	05	"
GOLD C	$473	47	3.20	30	12	3	00	"
GOLD C	$500	22	4.60	20	9	42	20	"
GOLD C	$530	39	1.10	11	3.50	48	10.50	"
GOLD P	$373	3	7	—	—	—	—	"
GOLD P	$400	52	12	12	21	—	—	"
GOLD P	$423	25	21	5	22	—	—	"
GOLD P	$450	60	02	—	—	2	45	"
GOLD P	$475	2	31	—	—	2	61	"
GOLD P	$500	—	—	2	68	—	—	"
12¼ NL 81 87-91								
C	F.135	165	0.70 B	—	—	20	2.60	F.134.20
C	F.140	40	0.10	—	—	2	1.20	"
11¼ NL 82 88 92								
C	F.115	20	1.90	—	—	—	—	F.116.40
C	F.117.50	40	0.80	—	—	—	—	"
7¾ NL 82 89-90								
C	F.102.50	123	0.80	—	—	350	1.60	F.100.60
7½ NL 85 87-90								
C	F.100	125	0.60 6	—	—	—	—	F.700.10
		April		July		Oct.		
AKZO C	F.40	60	17	—	—	—	—	F.56.90
AKZO C	F.45	104	12.50	29	12.50	27	12.50	"
AKZO C	F.60	135	7.50	117	9.00	121	10	"
AKZO C	F.53	154	3.60	112	7	27	7.50	"
AKZO C	F.60	122	1.60	449	3.80	107	6.20	"
AKZO P	F.50	—	—	156	1.60	—	—	"
AKZO P	F.30	—	—	31	0	—	—	"
AMRO C	F.45	—	—	40	12	—	—	F.87.50
AMRO C	F.50	89	7.30	50	7.60	—	—	"
AMRO C	F.55	23	0.40	—	..	99	8	"
AMRO C	F.60	—	—	783	3.50	133	6.50	"
GIST C	F.150	—	—	63	10.60	—	—	F.147
GIST P	F.140	—	—	53	6.50	—	—	"
HEIN C	F.120	26	7.60 B	..	—	—	—	F.127.30
HEIN C	F.150	75	2.60	164	3.50	—	—	"
HOOG C	F.17.50	42	3.60 B	123	7	27	7	F.24.20
HOOG C	F.20	45	4.20	107	3	—	—	"
HOOG C	F.22.50	72	2.30	..	—	—	—	"
HOOG C	F.25	41	1.10	56	3	47	4	"
HOOG P	F.22.00	30	0.30	—	—	—	—	"
KLM C	F.160	28	8.20	—	—	—	—	F.166.20
KLM C	F.170	249	4 A	—	—	—	—	"
KLM P	F.160	37	1	—	—	—	—	"
KLM P	F.160	39	2.80	—	—	—	—	"
KLM P	F.170	20	8	—	—	—	—	"
NEDL C	F.100	54	0.60	—	—	—	—	F.104
NEDL C	F.110	54	0.80	37	3.50	—	—	"
PHIL C	F.27.50	41	17.30 B	24	17.50	—	—	F.44.50
PHIL C	F.30	102	14.80	333	15	66	14.60 B	"
PHIL C	F.32.50	40	12.30	221	12	145	12.50	"
PHIL C	F.53	690	2.90	1082	2.50	438	10.30 A	"
PHIL C	F.40	0009	5.60	2145	5.70	417	7.20	"
PHIL C	F.45	—	—	4379	3.30	1022	4.20	"
PHIL P	F.35	01	0.20	20	0.60	10	1.10	"
PHIL P	F.40	87	0.40	267	1.30	101	2.10	"
PHIL P	F.45	—	—	178	3.40	—	—	"
RO C	F.20	31	16 A	107	13.30	—	—	F.105.40
RO C	F.100	1064	6.60	404	8.70 A	77	11	"
RO C	F.110	1001	1.90	682	4.20	012	3.20	"
RO P	F.90	115	0.10	22	1.30	70	2	"
RO P	F.100	520	0.70	138	3.50	15	3	"
RO P	F.110	70	5.20	38	2.50	1	12 A	"
UNIL C	F.200	202	18.80	14	21	42	24.50 6	F.212
UNIL C	F.220	014	8	99	14	101	10	"
UNIL P	F.200	20	0.80	07	4	—	—	"
		May		Aug.		Nov.		
BASF C	DM.120	—	—	23	28	—	—	DM140.48
SIEM C	DM280	05	46.50	—	—	—	—	DM325.50
SIEM C	DM300	—	—	31	30	—	—	"

TOTAL VOLUME IN CONTRACTS 27,759

A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls April	Calls July	Calls Oct.	Puts April	Puts July	Puts Oct.
BP (USP 318)	260	60	—	—	1	—	—
" "	280	40	—	—	2	—	—
" "	000	22	38	43	3	14	22
" "	500	4	18	24	20	26	34
" "	060	1	8	—	44	46	—
CGF (USP 494)	390	—	112	—	1½	4	—
" "	420	80	85	—	2	9	—
" "	460	43	60	72	8	20	23
" "	500	18	40	52	25	32	45
" "	550	5	20	30	62	67	72
" "	600	2	10	14	—	175	2
CTD (USP 91)	70	22	94	28	1	2	3½
" "	80	13	14	13	1½	4	6
" "	90	4	7	10	2	7	9
" "	100	1½	4	6	2	14	16
CUA (USP 127)	120	11	17	—	2	4	—
" "	130	4	10	13	7	10	12
" "	140	1½	3	2	16	12	20
" "	100	1	2	4	33	37	38
GEC (USP 204)	180	24	04	42	1½	3	8
" "	187	16	—	—	0	—	—
" "	200	—	18	23	—	11	16
" "	217	3	—	—	20	—	—
" "	220	—	10	17	—	24	32
" "	257	1	—	—	08	—	—
" "	240	—	3	—	—	42	—
" "	260	½	4	—	62	68	—
GM (USP 052)	240	—	—	—	1	—	—
" "	260	70	—	—	1	—	—
" "	280	53	61	—	1	3	—
" "	300	30	43	—	2	4	—
" "	550	13	22	28	8	14	16
" "	060	3	12	17	31	34	57
" "	090	1	6	10	—	64	67
ICI (USP 400)	280	—	—	—	1	—	—
" "	000	100	110	—	1	—	—
" "	030	70	80	—	1	0	—
" "	060	40	50	60	2	8	10
" "	390	20	34	42	7	18	20
" "	420	3	16	22	24	30	32
LS (USP 015)	240	—	—	—	1	—	—
" "	260	58	63	68	1	0	—
" "	280	38	43	48	2	5	9
" "	000	18	27	34	5	10	70
" "	550	4	12	19	19	24	27
M & S (USP 195)	160	37	—	—	1½	—	—
" "	160	19	27	02	3	6	2
" "	200	3	14	22	9	16	20
" "	220	2	6	10	27	00	33
" "	240	1	2	—	47	60	—

Option		Calls Apr.	Calls Jul.	Calls Oct.	Puts Apr.	Puts Jul.	Puts Oct.
SHL (USP 444)	060	86	—	—	—	—	—
" "	390	58	66	74	1½	3	8
" "	420	28	42	60	5	11	18
" "	450	0	18	28	24	30	36

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
BBL (USP 460)	360	107	113	—	1	2	—
" "	390	77	87	—	2	5	—
" "	420	48	58	73	3	9	15
" "	460	20	32	48	15	25	33
" "	500	7	17	33	48	46	55
IMP (USP 108)	90	21	—	—	1	—	—
" "	100	13	—	—	0	—	—
" "	110	8	10	15	7	8	2
" "	120	3	3	7	12	14	16
" "	130	1½	2½	4	22	25	24
LMO (USP 284)	220	27	35	47	14	23	32
" "	240	17	25	37	25	32	40
" "	260	7	13	29	40	45	60
" "	280	4	10	18	60	62	67
" "	300	1½	5	—	80	82	—
" "	330	1	3	—	110	112	—
" "	060	1	—	—	140	—	—
" "	390	1	—	—	170	—	—
LNR (USP 83)	80	7	2	12	3½	5	6½
" "	90	2½	5	7	10	12	15
" "	100	0¼	2½	3½	12	21	22
P & O (USP 144)	100	46	46	—	0½	1	—
" "	110	03	36	—	1	2	—
" "	120	26	26	27	1	4	7
" "	130	17	19	21	2	6	10
" "	140	2	13	18	4½	12	15
" "	160	2¼	8	9	18	24	26
RCL (USP 417)	420	24	40	53	20	23	30
" "	460	8	18	28	44	52	54
" "	500	3	2	13	85	87	87
" "	550	2	3	—	134	137	—
" "	600	1	2	—	185	187	—
" "	650	1	—	—	235	—	—
RTZ (USP 522)	390	134	—	—	1	—	—
" "	420	104	105	—	2	—	—
" "	460	67	75	—	6	12	—
" "	500	38	62	67	15	32	37
" "	350	13	25	40	43	52	62
VRF (USP 596)	60	—	—	—	1	—	—
" "	55	—	—	—	1	—	—
" "	60	—	—	—	1	—	—
" "	70	—	—	—	1	—	—
" "	80	—	—	—	3	—	—
" "	90	11½	13	15	5	8½	11
" "	100	7	11	14	11	14	13½
" "	110	3	7½	10	15½	16¼	20½
" "	120	2	6½	7	24	24½	25½
" "	130	1	3	5	34	—	35
" "	140	0¼	2	3½	—	—	—

Mar. 24 Total Contracts 965 Calls 770 Puts 195

دارالمحفوظات

INSURANCE & OVERSEAS MANAGED FUNDS

OFFSHORE AND OVERSEAS

Chinese Fund	76.3	79.4	-3.8	1.70
Precious Metal Fund	122.3	127.4	....	8.30
Vanguard Cndy. Fd.	41.0	42.8	-1.2	2.26
Financial Futures Fd.	114.0	118.7	-2.7	—
Wren Intl. Fnd.*	30.886	0.929	-0.056	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ϕ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

INTERNATIONAL CAPITAL MARKETS

Australian bank breaks the ice

BY MARY ANN SIEGHART IN LONDON

THE FIRST new Eurodollar bond for over a week arrived in the market yesterday from National Australia Bank. The $50m seven-year issue carries a tap for an additional $50m at a later date and has a coupon of 11¼ per cent at a price of par.

The deal, which involves an interest-rate swap, is being led by Credit Suisse-First Boston. It is the first bond from an Australian bank in the Eurodollar market. Yesterday it was trading at a pre-market discount of about 1¼ points.

CSFB's $100m, seven-year, 11 per cent Bank of Tokyo issue is being increased to $125m. Its discount yesterday was around 1½ points.

The dollar secondary market was very quiet yet again, with prices being marked up by about ⅛ point. Investors seemed to be waiting for the results of yesterday's U.S. Treasury auction before showing any buying interest.

The long-rumoured Ecu bond issue from Credit National finally materialised yesterday as a Ecu 50m ($46m) 10-year, open-priced issue with an indicated coupon of 12¼ per cent.

It has a put option after eight years, and the lead managers are Credit Lyonnais, Kredietbank (Luxembourg) and Banque Nationale de Paris. It comes at the same time as a Ecu 150m loan from Credit National which will be convertible into Eurobonds.

In the D-mark sector, the ten-year DM 150m Euratom bond was given a coupon of 7⅞ per cent at a price of 99 by Dresdner Bank. When the deal came out on Monday, a price of par was expected, so the discount is an iodication of the relative sogginess of the German market. At a price of 99, it yields 7.5 per cent.

The D-mark secondary market rose about ¼ point yesterday as the New York market firmed up.

Prices of seasoned Swiss bonds also rose slightly while mopping up of the latest new issues continued.

The pricing of Austria's Samurai bond was dalayed yesterday. The Y20bn, 10-year issue is expected, like the recent Sweden deal, to carry an 8.3 per cent coupon. The lead-manager will be Daiwa Securities.

● France's state-owned power utility, Electricité de France (EDF), will borrow more than FFr 30bn ($4.14bn) on the domestic and international capital markets this year, M Marcel Boiteux, the president, said.

He said EDF's debt stood at FFr 150bn at the end of last year, of which FFr 60bn was in foreign currencies.

The utility has accumulated losses totalling FFr 17bn, chiefly because of "the reluctance of successive French governments to allow EDF to raise its tariffs sufficiently to cover costs."

M Boiteux said EDF's 1983 operating accounts would remain in the red.

LONDON RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
140	F.P.	15/4	145	130	‡Airship Inds	132	......	—	—	—	—
112	F.P.	16/3	154	129	Assoc. British Ports	154	......	b7.0	1.5	6.5	14.6
—	F.P.	—	100	96	Atl'tc M'trp'n U.S.0.10	98	......	Q8c	0.8	5.5	32.8
§74	F.P.	21/1	158	103	‡Canvermoor	157	......	b3.64	2.0	3.8	15.6
[illegible]	F.P.	15/4	220	200	‡Graingar Trust	[illegible]	......	u5.8	2.5	0.7	18.1
§58	F.P.	8/4	112	89	‡HB Elect Comps 10p	98	......	u1.12	5.2	1.8	28.0
§190	F.P.	4/3	388	305	‡Microgan	300	......	b4.0	2.9	1.8	28.3
§155	F.P.	7/1	255	198	‡Munford & White	208	......	b2.8	0.4	1.8	82.1
§83	F.P.	4/3	198	145	‡Resource Tech. 10p	177	−21	..	—	—	34.0
[illegible]	F.P.	—	110	85	‡Sinclair Wm.	85	......	b4.25	1.0	7.5	19.7
[illegible]	F.P.	—	105	77	Dp. Defd.	75	......	—	—	—	—
175	F.P.	25/3	303	255	Superdrug Stores 10p	268	−5	bd3.5	2.4	1.0	51.8
120	F.P.	—	125	98	‡Swindon Priv Hos £1	98	......	—	—	—	—
§10	F.P.	11/3	29	22	‡Tele.Services Int 10p	25	......	b0.2	3.3	1.1	38.0
§70	F.P.	30/3	115	89	‡Utd. Packaging 10p	115	......	b2.5	3.2	5.2	12.0
§150	F.P.	18/2	340	265	‡WightCollinsR S10p	280	−2	bd2.75	3.3	1.4	31.2
—	F.P.	3/5	25	20	Yorks & Lancs. W'rrnts	21	−1	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price	+ or −
99.431	£20	10/4	21⅞	13	Birmingham 11½% Red. 2012	16¾	......
¶100	£10	9/6	10¾	10¼	E.Worcestershire Water 7% Rd. Prf. 1990	10¼	......
**5	F.P.	31/3	224p	164p	Electro-Protective 7% Cnv. Prf.	164p	−4
18	£25	30/8	25½	24¼	Hambros Inv. 6-17% Stpd. Deb. 2018	25¼	+¼
—	—	—	100⅝	99	Nationwide Bdg. Soc. 11⅝% Bds. 25/1/84	100⅝	......
—	—	—	100⅞	100	Do. 11⅞% Bds. 13.2.84	100¾	......
—	—	—	100	100	Do. 11½% Bds. 19.5.84	100¼	......
§97.174	£25	8/5	30½	22	Pearson (S) 13% Uns. Ln. 2007	29¼	+¼
¶100	£10	9/6	12	12	Sutton Dist. Water 7% Pref. 1988	12	......

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982/3 High	1982/3 Low	Stock	Closing price	+ or −
250	F.P.	26/2	28/4	342	273	ACS Research 10p	330	......
73	Nil	12/4	15/5	21pm	17pm	‡Aidcom Int. 10p	21pm	......
‖140	F.P.	25/3	15/4	154	73	‡Airship Inds.	134	......
280	F.P.	25/3	25/4	390	225	Applied Computer	390	......
3½	Nil	4/3	28/3	18pm	9pm	Audiotronic 2½p	14pm	......
11	Nil	—	19/4	0½pm	1pm	‡Berkeley & Hay Hill Invs 10p	1pm	......
10	Nil	—	—	2½pm	1½pm	Bluemel Bros.	2pm	......
155	Nil	—	—	51pm	20pm	Brit. Car Auctions 10p	30pm	−5
73	F.P.	7/3	15/3	105	85	Dominion Int. 20p	89	−1
385	Nil	—	—	143pm	137pm	Fisons £1	143pm	......
102	Nil	7/5	29/5	14pm	11pm	‡Garfunkels 10p	14pm	......
163	F.P.	11/3	10/6	183	168	Geers Gross 10p	168	−2
90	F.P.	21/2	7/4	158	130	Grosvenor Group	156	......
30	Nil	—	—	14pm	10pm	Guinness Peat	11pm	−1
140	Nil	28/3	6/5	54pm	40pm	Magnet & Southerns	42pm	−2
28	F.P.	18/3	25/4	29	25	Mattoy	28	......
27	F.P.	21/2	7/4	36	30	Mount Charlotte 10p	35½	−½
A$1.50	Nil	—	—	57pm	39pm	North B. Hill 50c	59pm	......
60cts	F.P.	11/3	—	38	32	Rand Lon. Corp. 15cts	32	......
58	F.P.	3/3	29/4	75	61	Stakis 10p	75	......
400	F.P.	4/3	22/4	490½	426	Ultramar	505	......
21	Nil	08/5	6/6	31pm	21pm	Valor	21pm	−1

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. ⌐ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ‡ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under special rule.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for March 24.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 14¼ 89	75	112⅛	112⅝	−0⅛	−0⅛	11.31
Amro Bank 13 89	200	105	105½	+0⅛	0	11.77
BHP Finance 14⅛ 89	150	108⅝	109½	−0⅛	0	12.56
British Col Hyd 15¼ 92	150	117⅛	117⅝	+0⅛	0	12.07
Canada 14⅜ 91	750	110⅞	111⅜	+0⅛	+0⅛	10.91
Canadair Ltd 12½ 89	115	104½	105	5	−0¼	11.41
Canadian Wheat 11⅛ 00	501	100¾	100¾	+0⅛	0	11.12
Can Pac Ltd 14⅝ 92	15	110⅞	111⅜	+0⅛	−0⅛	12.50
Can Pac Sec 15 89	15	110	111	+0⅛	+0⅛	12.47
Citicorp O/S 15 84/92	100	104⅝	105½	−0⅛	0	8.88
Coca Cola Int 9⅝ 92	100	24¾	25¼	0	−0⅛	10.73
Coca Cola Int 11¾ 89	100	104⅞	105⅜	0	−0¼	10.92
Credit Suisse 10½ 89	100	100⅝	100⅞	0	−0⅛	10.34
Deutsche Bk Fin 14¼ 89	300	118¼	118¾	−0⅛	−0¼	11.78
Du Pont 11¼ 85	150	101⅝	102½	0	+0¼	10.85
Du Pont 14⅛ 89 WW	200	107¾	108¼	+0⅛	−0⅛	12.21
E.D.C. 10⅝ 88	100	99¾	100¼	0	5	10.73
E.D.F. 12¾ 87	150	103⅜	103⅞	+0⅛	−0½	11.64
E.E.C. 11½ 95	200	98	98½	+0¼	0	11.60
E.I.B. 11 91	125	98⅛	98⅝	+0⅛	+0⅛	11.32
E.I.S. 15½ 92	100	113⅜	114⅜	−0⅛	−0⅛	12.75
Exp Dev Corp 11⅜ 91	100	102¼	102¾	0	0	10.88
Forsmarks 13¾ 92	75	105⅜	105⅞	−0⅛	−0⅛	12.66
Gaz de France 12¼ 93	175	19¾	20¼	0	0	12.24
Gen Elec Credit 9¾ 91	100	14⅞	15⅜	−0⅛	+0⅛	10.64
Gen Elec Credit 12 89	100	107	107½	+0⅛	+0¼	10.38
GMAC O/S Fin 10½ 00	200	97¾	98¼	−0¼	+0⅛	10.91
GMAC O/S Fin 15 91	100	109	109½	+0⅛	+0¼	12.00
Gulf Oil Fin 12¼ 87	100	103⅝	104⅛	+0¼	−0⅛	11.07
IBM World Trade 12¼ 92	200	105½	106	5	−0⅛	10.81
Lloyds Euro 11½ 94	100†	17⅝	15¼	0	−0⅛	11.88
Manitoba Prov 11¾ 89	125	102⅜	102⅞	−0⅛	−0¼	11.14
Manitoba Prov 13¾ 89	100	108⅜	108⅞	0	−0¼	11.74
Midland Int Fin 11½ 92	150	99⅝	100⅛	0	−0⅛	11.48
Nat West Fin 11¾ 92	150	101½	101¾	0	0	11.46
New Brunswick 15¼ 87	75	111¼	111¾	+0⅛	0	11.64
Newfoundland 15½ 90	75	113⅜	113⅞	+0⅛	−0⅛	12.52
Nippon Credit 11¼ 93	100	97⅛	97⅝	+0¼	+0⅛	11.78
Nova Scotia Prv 15¼ 89	75	113¼	113¾	+0⅛	−0¼	12.04
Ontario Hydro 11⅛ 88	200	102⅝	103⅛	0	−0⅛	10.51
Ontario Hydro 12⅜ 92	200	105⅜	105⅞	−0⅛	−0¼	11.55
Ontario Hydro 15 92	150	118½	118⅞	0	−0⅛	11.94
Prudential O/S 10⅝ 93	100	99⅝	100⅛	+0⅛	+0⅛	10.62
Prudential O/S 12⅜ 87	150	106¼	106¾	0	0	10.82
Quebec Hydro 11½ 92 D	100	100½	101	+0⅛	+0¼	11.35
R. J. Reynolds 12⅜ 89	100	104⅞	105⅜	0	0	11.66
Saskatchewan Pr 10⅝ 90	125	98¼	98¾	+0⅛	0	11.07
Stand Enskil 11½ 88	100†	99	99½	0	−0⅛	11.78
S.N.C.F. 11½ 93	100	98⅞	99⅜	+0⅛	+0⅛	11.65
Swed Exp Credit 14¼ 90	100	109	109½	+0¼	+0¼	13.88
Swiss Bk Corp 10¼ 89	125	100	100½	+0¼	+0⅛	10.18
Texaco Capital 9⅝ 90	150	94⅝	95⅛	+0⅛	0	10.83
U.B.S. 11 89	150	102⅝	103⅛	+0⅛	−0⅛	10.35
Walt Disney Pro 12½ 89	75	103⅞	104⅜	0	+0¼	11.59
World Bank 10⅜ 89	150	98⅝	99¼	+0⅛	+0⅛	10.64
World Bank 10⅞ 93	100	97¾	98¼	+0⅛	+0⅛	11.21
World Bank 11⅛ 98	100	98	98½	+0¼	−0⅛	11.38

Av. price changes: on day +⅛, on week 0

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 8¼ 93	80	100⅝	101⅛	+0⅛	−0⅛	8.08
Australia 6⅞ 93	200	98¾	99¼	+0⅛	−0⅛	7.09
Australia 7¾ 92	200	104¾	105½	+0⅛	−0⅛	6.99
Bank of Tokyo 7¼ 00	100	99⅞	100⅜	0	−0¼	7.20
Bayer Capital 7⅝ 88	150	103⅝	104⅛	+0½	+0⅛	6.94
Caisse Nat Energie 8 93	100	100⅝	101⅛	+0¼	0	7.88
Caisse Nat Tele 7¾ 93	200	98⅛	98⅝	+0⅛	−0⅛	7.97
E.C.S.C. 7½ 93	150	98⅞	99⅜	+0⅛	−0¼	7.60
E.E.C. 7¾ 95	200	100⅛	100⅝	+0⅛	0	7.98
E.E.C. 8 94	200	100⅞	101⅜	0	−0⅛	7.84
Eurofima 7½ 91	100	100⅝	101⅛	+0½	0	7.37
Ferrovie Dello 8¾ 89	150	101⅞	102⅜	+1⅛	+1¼	6.17
Gould Int Fin 8¼ 89	75	102⅞	103⅜	−0¼	+0⅛	7.80
H.J. Heinz Int 8¾ 90	50	99⅝	100⅛	+0¼	+0⅛	8.74
Int-Am Dev Bk 8¼ 93	150	100⅞	101⅜	+0¼	−0¼	8.05
Ireland 8½ 90	150	101½	102¼	+0¼	+0¼	8.13
Ireland 8⅞ 91	150	102¾	103½	+0⅛	−0½	8.30
ITT Antilles 7 93	200	98⅛	98⅝	+0⅛	−0⅛	7.21
McDonalds Fin 7⅛ 92	100	101¼	101¾	+0⅛	+0⅛	6.98
Mitsui O.S.K. 7¼ 89	100	98¼	99	+0⅛	−0⅛	7.59
Mount Isa Fin 7⅝ 90	100	97⅝	98⅛	−0¼	+0¼	8.01
Quebec Hydro 8 93	200	102	102½	0	−0¼	7.66
Sweden Kingdom 8¼ 88	150	102¼	102¾	+0⅛	−0⅛	7.75
Volkswagen Int 7¼ 93	200	97¾	98¼	+0¼	+0⅛	7.50
World Bank 7⅜ 93	200	98⅛	98⅝	+0⅛	0	7.48

Av. price changes: on day +¼, on week 0

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Express 4¾ 93	100	97¾	98	0	−0¼	5.03
Asian D.B. 5⅜ 95	100	98½	98¾	+0¼	+0⅛	5.84
Bowater Int Fin 8 92	100	103	103¼	+1	+1⅛	5.57
BTR Finance 5⅝ 93	75	97½	97¾	+0½	+1	5.95
Chugoku Ele Pow 6⅛ 91	100	100½	100¾	0	+0⅛	6.02
Chujitsuya Co 5⅞ 93	50	96¼	96½	+0⅛	+0¼	6.38
Ex-Im Bk Japan 5 93	100	96¼	96½	0	+0½	5.48
First Interstate 6 92	100	101¾	102	−0¼	0	5.74
Gaz de France 6 93	100	101½	101¾	+0¼	−0¼	5.77
Gothenburg Airport 6 93	50	99¾	100	−0½	+0⅛	6.02
HCA Finance 5 93	100	96	96¼	0	−0⅛	5.52
Kyushu Elec Power 6 92	100	100	100¼	+0¼	+0½	5.98
Manitoba Prov 5¼ 93	100	101¼	101½	+0⅛	−0½	5.07
New Zealand 5¼ 92	100	98½	98¾	−0½	−1⅛	5.43
Nippon Express Co 6 93	50	101	101¼	0	+0¼	5.84
Nippon Kokan 5⅝ 93	100	98½	98¾	0	+1¼	6.00
Nisshin Steel Co 6⅞ 92	100	101	101¼	+0⅛	+2	6.21
Norsk Hydro 5½ 88	100	98¼	98½	+0⅛	+2⅛	5.86
O.K.G. 6¾ 93	60	102	102¼	0	+0½	6.45
Quebec 5⅜ 92	100	102¼	102½	−0¼	+1⅛	5.43
Shikoku Elec Pow 5⅝ 93	100	97½	97¾	+0¼	+1	5.95
Tokyo Elec Power 5⅞ 92	100	100⅝	101	−0⅛	+0¼	5.75
Transcanada Pipe 5⅜ 93	100	99	99¼	0	+1½	5.87
Union Bk Norway 5⅝ 93	60	97½	97¾	+0⅛	+1½	5.89
Volvo 5⅜ 91	80	100½	100¾	+0½	+1½	5.27
World Bank 5½ 93	100	100	100¼	−0¼	0	5.48

Av. price changes: on day +⅛, on week +¾

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	105⅞	106⅜	+0¼	+0½	7.72
E.I.B. 8¼ 92	15	102¼	103	0	−0⅞	7.83
Japan Airlines 7⅞ 87	91	100½	101½	0	0	7.58
New Zealand 8⅛ 91	15	102⅝	103⅛	−0⅛	0	7.55
World Bank 8⅛ 92	20	103	104	0	0	7.82

Av. price changes: on day +⅛, on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Can Utilities 17 91 CS	35†	113	114	0	−0⅛	12.72
Farm Credit 12⅝ 93 CS	50†	99½	100	0	0	12.77
Gaz de France 15 89 CS	75†	108½	109½	0	0	13.41
Gaz Metro 14½ 92 CS	40†	103¼	104¼	0	0	13.74
Pancanadian 12½ 93 CS	60†	97¼	98¼	0	−0⅛	12.96
Quebec Hydro 14 92 CS	60†	100	100¾	0	−0⅛	12.80
Swed Exp Cr 12¼ 88 CS	50†	100⅛	100⅝	0	+0⅛	12.09
E E C 11⅛ 93 ECU	50	98¾	99⅜	0	0	11.35
Elf Norge 11⅞ 88 ECU	30	97⅞	98⅜	0	+0⅛	12.20
Amfas 9⅛ 87 Fl	60	104⅝	105⅛	+0¼	+0⅛	8.18
Austria 7½ 88 Fl	100	100	100½	0	+0⅛	7.43
Nederland Gas 7½ 88 Fl	100	100⅝	100⅞	+0⅛	+0⅛	7.34
Neder Middk 9½ 87 Fl	100	104½	105	0	+0⅛	7.98
Quebec Prov 7½ 88 Fl	100	99⅛	99⅝	0	0⅛	7.70
World Bank 7 88 Fl	150	99⅛	99⅝	0	0	7.34
O.K.B. 14 86 FF	400	97⅞	98⅜	0	+0⅛	14.80
Solvay & Cie 14⅜ 88 FF	200	97¼	98¼	0	+0½	15.74
B.F.C.E. 14½ 87 £	30	107	108	−0⅛	0⅛	12.08
C.E.C.A. 13⅜ 89 £	20	104⅝	105⅛	−0⅛	+0⅛	12.13
C.N.T. 12½ 89 £	20	100½	101½	+0⅛	0	12.23
E.E.C. 11⅞ 91 £	50	98¼	99	+0⅛	+0⅛	12.14
Fin For Ind 12½ 88 £	30	102⅛	103⅛	−0⅛	+0½	11.54
Fin Mid Orani 12⅝ 92 £	30	23¾	24½	0	−0¼	12.70
Gen Elec Co 12½ 89 £	50	104⅝	105⅜	+0⅛	+0⅛	11.22
Hiram Walker 14¼ 88 £	25	106	107	+0⅛	−0⅛	11.56
Mort Bk Fin 11⅜ 88 £	15	23⅞	24⅛	+0⅛	0	13.15
Norsk Hydro 12 90 £	30	27⅛	27⅞	0	0⅛	12.78
Norsk Hydro 14½ 87 £	30	107½	108½	+0½	+0⅛	11.95
Quebec 14½ 89 £	30	105¾	106⅝	+0⅛	−0½	12.88
S.D.R. France 15½ 92 £	30	109¾	110⅝	0⅛	0½	14.22
S.N.C.F. 11½ 89 £	30	94½	95½	−0½	−0¼	12.62
Tenneco Int 14¾ 87 £	30	106⅝	107⅝	+0¼	0	12.47
World Bank 11⅜ 91 £	75	25¾	26⅛	+0⅛	1⅛	12.24
Euratom 11 93 LuxFr	500	102¼	103¼	0¼	+0⅛	10.53
Europarat 12½ 92 LuxFr	500	103⅞	104⅞	−0⅛	+0¼	11.66

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
Bank of Tokyo 5¼ 91 (D)	0⅞	99⅞	100⅜	10/6	9⅝	9.74
B.F.C.E. 5¼ 88	0⅛	98¼	98¾	20/7	9¼	9.34
B.F.C.E. 5¼ 87	0¼	98⅝	99⅛	27/7	9.94	9.99
Caisse Nat Tele 5¼ 90	0¼	99	99½	21/4	10.56	10.64
Copene 5¼ 92	0¼	99⅝	99⅞	10/8	9.94	9.87
Chemical NY 5½ 94 ††	0¼	100¼	100¾	23/6	9⅞	9.83
Credit Agricole 5¼ 97	0¼	99⅛	99⅝	24/3	12⅛	12.99
Credit du Nord 5¼ 92	0¼	98	98½	23/6	10⅛	10.20
Credit Lyonnais 5⅛ 97	0⅛	99⅛	99⅝	1/4	12.19	12.20
Credit Lyonnais 5¼ 94	0¼	98⅞	99⅜	5/7	9⅛	9.01
Credit Nat 5½ 94	0¼	98⅞	99⅜	9/6	9⅛	9.30
E.D.F. 5¼ 95 XW	0¼	99⅞	99⅝	10/8	10	10.08
Kansallis Osake 5½ 92	0½	99⅛	99⅝	6/8	10.00	10.11
Lloyds Eurofin 5¼ 93 §	0¼	100⅛	100⅝	29/4	10.56	10.52
Long Term Cred 5¼ 92	0⅛	99⅞	100⅛	27/6	10⅛	10.13
J.P. Morgan 5¼ 97 §	0¼	100	100½	12/5	9⅛	8.48
Nat West Fin 5¼ 91 §	0¼	100⅛	100⅝	15/7	9¼	5.22
New Zealand 5½ 87	0⅛	100⅜	100⅞	7/4	12⅝	12.42
NZ Steel Dev 5¼ 92	0⅛	100	100½	22/6	10.10	10.18
Nippon Credit 5¼ 00	0⅛	100	100½	10/3	9⅛	0.85
Offshore Mining 5¼ 91	0¼	100	100½	2/8	10.44	10.41
Scotland Int 5¼ 92	0⅛	99⅝	100⅛	23/9	9.04	8.94
Sec Pacific 5¼ 91	0⅛	100⅛	100⅜	24/6	10.06	10.02
Société Générale 5¼ 95	0¼	99⅞	99⅝	1/9	9½	9.56
Standard Chart 5¼ 91	0½	99⅞	100⅜	18/5	10.88	10.87
Sweden 5¼ 93	0¼	99⅞	100⅛	3/8	10.19	10.20
Sweden 5¼ 89	0¼	99⅝	99⅞	26/8	9⅝	9.87

Av. price changes: on day 0, on week +⅛

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5⅛ 96	7/81	933	97⅛	98⅝	+0⅛	6.78
Bridgestone Tire 5½ 96	3/82	470	101⅜	103⅜	−0⅛	9.08
Canon 7 97	7/82	748.2	100	106	−0⅛	1.84
Fujitsu Fanuc 4¾ 98	10/81	5614	109⅛	108⅛	+1¼	17.20
Hitachi Cable 5⅜ 96	2/82	515	98¼	99¾	−0¼	7.52
Hitachi Credit Corp 5 98	7/81	1612	89¼	91⅛	+0¼	16.33
Honda Motor 5½ 97	3/82	790.8	117⅜	118⅜	+0½	3.48
Kawasaki 5⅛ 98	9/81	228	82¼	84⅛	+2	18.92
Kumagai Gumi 6½ 97	10/82	400	110⅜	112¼	+0⅛	8.21
Kyowa Hakko 6¼ 97	2/83	782	106⅝	107⅝	+0½	15.62
Marui 6 96	7/81	700.5	129	130½	0	11.51
Minolta Camera 5 98	10/81	328.4	73⅜	75⅛	+1⅛	28.13
Murata 5⅛ 98	7/81	1071	99⅛	100⅜	0	16.17
Nippon Electric 5⅜ 97	2/82	705.8	130	131½	−0⅛	4.47
Nippon Oil Co 5½ 98	4/83	904	97⅛	98⅝	+0⅛	6.84
Nissan Motor 5⅜ 98	4/83	770	97½	98⅛	+0⅛	8.72
Olympus Optical 6⅛ 97	12/82	1331	104⅛	105⅛	−0⅛	4.51
Orient Finance 5⅝ 97	3/82	1205	107⅛	108⅛	+0½	7.12
Sumitomo Electric 5½ 97	3/82	577.3	100⅛	101⅛	−0⅛	9.45
Sumitomo Metal 5⅝ 96	10/81	296.1	72⅜	73⅜	+2⅛	32.37
Fujitsu 3½ 93 SF	3/83	966	109⅛	110⅛	+0⅛	2.08
Sharp Corp 3½ 93 SF	3/83	1198	112	114	0	−1.34
Konishiroku 6⅛ 89 DM	6/82	616	110⅝	111⅝	−0½	2.58
Mitsubishi Heavy 6 89 DM	2/82	263	106⅛	107⅛	+0⅛	18.50
Sun Realty 6¼ 92 DM	2/83	386	109⅛	110⅛	0	1.09

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn = current coupon. Cr. yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Friday March 25 1983

Cocoa buffer stock delay likely, Page 35

WALL STREET

Treasury's allure lends solidity

THE SUCCESS of the opening stages of the U.S. Treasury's heavy funding programme, itself a reflection of a more optimistic view of inflation prospects, continued to buoy the confidence of Wall Street's financial markets, *writes Terry Byland in New York.*

Shares opened strongly with plenty of support shown across the broad range of industrial issues, and by 2pm the Dow Jones industrial average was up 2.9 at 1,143.77. It closed up 5.03 at a record 1145.90.

Treasury stocks and other debt securities held on to the lower yields established at the close of the previous session, although there was an inclination to await the outcome of yesterday's auction of $3.25bn in 20-year Treasury bonds.

Bond markets, which had closed strongly on Wednesday on reports of a high level of demand at the auction of seven-year Treasury notes, were favourably impressed yesterday as details emerged of the deals struck. About $1.1bn had been bid about 2½ times the amount issued. The auction yield of 10.58 per cent on the new notes was traded down to 10.48 per cent in the market yesterday, offering a significant real rate of return compared with current inflation rates in the U.S.

European banks were believed to have participated in the auction and there was good support in the market from the U.S. commercial banks.

All this was good news, and despite a firmer Federal Funds rate of 8¾ against 8.70 per cent at the previous close, credit markets opened steadily. Three-year Treasury notes traded at a discount rate of 8.42 per cent against 8.47 per cent and six-month bills a 8.46 per cent against 8.50 per cent. The trading was subdued as the market paused to measure the chances for the auction of 20-year Treasury bonds which traded on a when-issued basis at 10.55 per cent to 10.78 per cent, fitting in comfortably with yields on similar bonds. The Treasury 10⅜ per cent 2012 long bond yielded 10.57 per cent after edging up to 98¾ from the previous days final quotation of 98.

Share markets started the day with a rush as overnight buying orders were completed. There was a pause at mid-session, but major stocks then resumed their rise with transport issues again in demand as investors looked for an upturn in rail and airline traffic as the economy expands.

Upward pressure on share prices is being strengthened by a search by fund managers for good-class stocks to brighten portfolios ahead of the fiscal year-end.

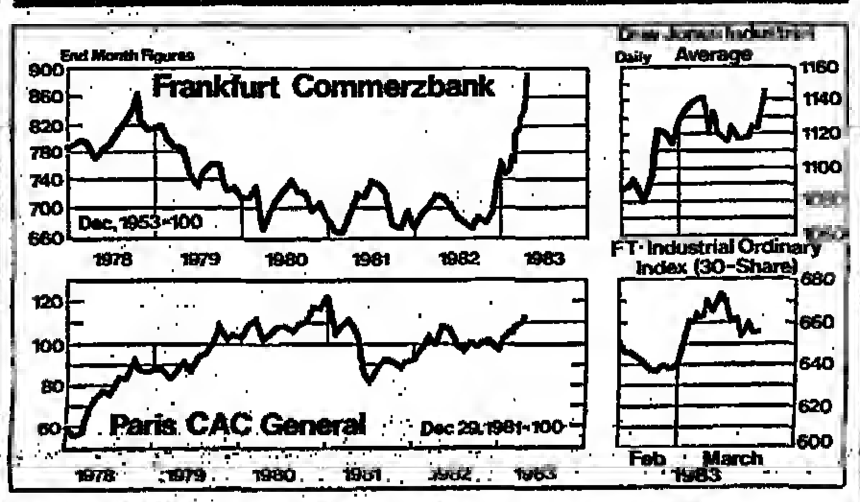
In oils Occidental Petroleum steadied to $8¾ on the sale of some of the assets acquired from Cities Service, and Standard Oil of California looked firm at $35½. Among the oil service groups, however, Schlumberger remained weak at $39.

AT & T improved to $67⅞ after Standard and Poor's issued a rating of its debt issues a shade more favourable than the verdict from Moody's, the other rating agency.

American Motors eased to $6 on plans to sell 15m shares but a block trade was marked at $5⅞. A poor feature was Eli Lilly, down $3¾ to $60¾ after published criticism of its Moxalactam antibiotic drug.

Resources were again the weak spot in Toronto, although base metals and minerals held up better than the golds and oils. Industrials were well supported, particularly the property, transport and media sectors. Papers and publishing fared worse, by contrast, than the broader Montreal market.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	March 24	Previous	Year ago
DJ Industrials	1145.90	1140.87	823.34
DJ Transport	517.55*	513.90	337.21
DJ Utilities	126.25*	126.29	108.41
S&P Composite	153.22*	152.81	112.97
LONDON			
FT Ind Ord	654.8	654.3	559.9
FT-A All-share	411.20	410.29	324.02
FT-A 500	443.47	442.86	346.57
FT-A Ind	415.85	415.57	318.75
FT Gold mines	550.7	549.3	240.7
FT Govt secs	80.52	79.98	68.91
TOKYO			
Nikkei-Dow	8340.18	8311.12	7194.31
Tokyo SE	614.76	612.70	535.84
AUSTRALIA			
All Ord.	508.2	510.3	478.1
Metals & Mins.	466.5	472.0	341.9
AUSTRIA			
Credit Aktien	53.66	53.71	53.49
BELGIUM			
Belgian SE	113.78	112.51	95.64
CANADA			
Toronto Composite	2120.4*	2114.34	1815.9
Montreal Industrials	357.06*	357.04	281.34
Combined	351.38*	351.05	270.59
DENMARK			
Copenhagen SE	131.84	131.84	94.82
FRANCE			
CAC Gen	112.20	111.20	102.4
Ind. Tendance	119.40	117.20	114.5
WEST GERMANY			
FAZ-Aktien	296.78	292.56	236.4
Commerzbank	895.00	882.0	720.8
HONG KONG			
Hang Seng	997.85	978.98	1223.38
ITALY			
Banca Comm.	211.79	214.33	209.49
NETHERLANDS			
ANP-CBS Gen	124.4	121.9	88.8
ANP-CBS Ind	106.2	104.3	71.3
NORWAY			
Oslo SE	151.59	149.29	102.67
SINGAPORE			
Straits Times	831.51	829.31	728.1
SOUTH AFRICA			
Golds	732.7	715.3	473.2
Industrial	831.3	832.2	574.6
SPAIN			
Madrid SE	112.37	112.73	123.49
SWEDEN			
J & P	1251.05	1264.03	606.56
SWITZERLAND			
Swiss Bank Ind	311.20	308.8	256.2
WORLD	March 23	Prev.	Yr ago
Capital Int'l	165.20	164.1	132.8

GOLD (per ounce)

	March 24	Prev
London	$415.00	$409.75
Frankfurt	$415.50	$410.50
Zürich	$415.50	$410.50
Paris (fixing)	$418.28	$410.57
New York (March)	$410.0	$417.90

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR March 24	U.S. DOLLAR Previous	STERLING March 24	STERLING Previous
£	1.4635	1.4585	–	–
DM	2.4200	2.4250	3.54¼	3.54
Yen	237.00	238.90	347	348¼
FFr	7.2500	7.2675	10.60½	10.59½
SwFr	2.0700	2.0840	3.03	3.04½
Guilder	2.7175	2.7150	3.97¾	3.96
Lira	1441	1441	2108½	2101
BFr	47.60	47.92	69.75	69.90
C$	1.2270	1.2275	1.7955	1.7900

INTEREST RATES

	March 24	Prev
Euro-currencies (three month offered rate)		
£	10 9/16	10 9/16
SwFr	4	4
DM	4⅛	4 15/16
FFr	13¼	19
FT London Interbank fixing (offered rate)		
3-month U.S.$	9 5/16	9¾
6-month U.S.$	9 11/16	9⅞
U.S. Fed Funds	9*	8¾
U.S. 3-month CDs	9.05*	9.15
U.S. 3-month T-bills	8.46*	8.46

U.S. Treasury Bonds

	March 24 Price	March 24 Yield	Prev Price	Prev Yield
9⅝ 1985	99 23/32*	9.77*	99 14/32	9.84
10½ 1990	100 3/32*	10.46*	99 29/32	10.53
10⅞ 1993	102 3/32*	10.51*	101 11/32	10.60
10⅜ 2012	98 3/32*	10.56*	97 24/32	10.61

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	76–17	76–28	76–18	76–18
U.S. Treasury Bills (IMM) $1m points of 100%				
June	91.42	91.51	91.42	91.42
Cert Deposit (IMM) $1m points of 100%				
June	90.72	90.83	90.72	90.73
LONDON				
Three-month Eurodollar $1m points of 100%				
June	90.51	90.55	90.47	90.37
20-year Notional Gilt £50,000 32nds of 100%				
June	103–09	103–14	102–22	102–17

LONDON COMMODITY MARKETS

	March 24	Prev
Silver (spot fixing)	722.50p	700.55p
Copper (cash)	£1061.00	£1054.50
Coffee (March)	£1923.00	£1895.00
Oil (spot Arabian light)	$28.06	$28.05

LONDON

Element of composure is regained

SOME composure was regained in the stock markets as the pressures against sterling subsided sufficiently to allow it to close above the day's worst level. More stable conditions returned to the equity sectors and government securities staged a useful rally.

Lessened fears about an early rise in U.S. interest rates, the overnight improvement in American bond prices and sterling's pick-up against the dollar, gave some much needed encouragement to British funds. The February trade figures for the UK failed to impress the market, but long-dated gilt-edged stocks held earlier gains which stretched to 1¼.

Wall Street's overnight improvement prompted a slightly firmer start in leading industrial shares. However, investment confidence was again lacking and quotations began to drift back in extremely quiet trading.

The afternoon session saw an improvement and, with the help of late U.S. demand for Glaxo, up 25p at 740p, and a sympathetic gain of 7p to 380p in Beecham, the Financial Times Industrial Ordinary index closed 0.5 up at 654.8 after having shown a loss of 3.1 at 2 am.

An otherwise quiet day in mining markets was highlighted by brisk speculative activity in a number of the Australian gold hopefuls.

A buying spree in overnight domestic markets was followed through in London and Jingellic Minerals more than doubled in price to close 32p higher at 61p. Kalbara Minerals surged 13p to 42p and Enterprise Gold Mining put on 2p to 31p. All three companies were rumoured to have been the subject of a brokers' circular in the U.S.

Financials made modest progress. London issues were featured by Gold Fields which rose 13p to 495p in a market short of stock, while RTZ moved up 8p to 520p and Charter Consolidated 8p to 223p. In South Africans, De Beers added 8p at 495p, Anglo American Corporation £⅜ to £12½ and Gencor £¼ to £18¼.

Share information service, pages 36–37.

AUSTRALIA

Mines decline

SHARE prices closed mixed with an easier bias in **Sydney**. Lower bullion prices in Hong Kong and London brought widespread declines among mining stocks, which left the mining index down 7.0 at 517.5.

Among heavyweights, BHP gave up 12 cents to A$6.24, MIM 10 cents to A$4.20, Western Mining three cents to A$4.15 and CRA two cents to A$4.48.

There were, however, some gains among cheaper issues. Kalbara gained 20 cents to 70 cents and Jingellic was at one time 30 cents ahead at A$1.10. The oil and gas sector was generally subdued.

In **Melbourne**, an early improvement was not sustained and metal issues in particular eased in late trading.

SOUTH AFRICA

Low volume

TRADING volumes were very low in **Johannesburg** as domestic institutional investors stayed away from the market. Gold shares, however, closed firm in moderate trading in response to the firmer bullion price. One of the largest gains was posted by President Brand, which advanced R2 to R44.50, while lower priced stocks moved up by 50 cents or less.

De Beers reversed its fall earlier in the week, rising 18 cents to R8.23. Elsewhere, industrials were little changed.

EUROPE

Trade trend favours Frankfurt

FORECASTS of an economic upturn and a further fall in inflation following the announcement of favourable February trade figures sent prices sharply higher again in **Frankfurt**.

The Commerzbank index, which began the month below 800, moved up 13 points on the day in heavy volume to 895. The closing Frankfurter Allgemeine Zeitung indicator reached a record level for the third consecutive day, gaining 4.22 to 296.78.

The domestic bond market also saw a modest advance, with typical gains of up to 30 basis points, and the Bundesbank was able to sell DM 15.7m of public paper – about the same as it had purchased the previous day.

Electricals were among the strongest sectors in an equity market which was also buoyed by Tuesday's strong Wall Street close, a softer dollar and reassuring signs on U.S. interest rates. Siemens drew particular attention after announcing plans for a rights issue and disclosing an encouraging growth in orders, and gained DM 8.20 to DM 326.50.

Strong interest from foreign investors brought brisk trading and a firm tone to **Amsterdam**, and prices advanced across a broad front.

Among Dutch internationals, Philips rose Fl 3 to a record Fl 44.5 in optimism over its future with or without a Grundig link. Unilever, Akzo and Royal Dutch Petroleum all posted smart gains.

Early signs of an upturn in the domestic bond market faded, leaving prices broadly steady.

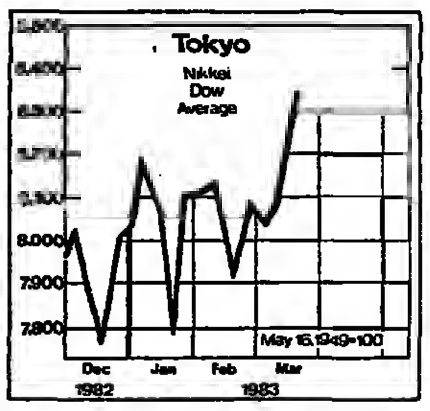
Government hints of measures to encourage investment in industry sent prices higher in **Paris**. Many investors were waiting until details of the measures are announced, however, and the upward trend also reflected the selected purchases which usually mark the first day of a new monthly trading account.

In **Brussels**, Belgian and foreign stocks maintained their strength, encouraged by Wall Street's good performance. Holding company shares again led the rally, Sofina climbing BFr 220 to BFr 4,700, Bruxelles Lambert BFr 20 at BFr 1,820 and Société Générale BFr 25 to BFr 1,600.

A higher bond market and yesterday's easing of the dollar brought firmer prices on considerable trading volume in **Zurich**.

Prices closed mainly easier in **Milan** after profit taking in quiet trading. In an expected reaction to the previous day's sharp gains, the market indicator showed a 1 per cent downturn at the close.

In **Madrid**, prices declined over a wide spectrum, with the heaviest falls in banking and electricals.



FAR EAST

Enthusiasm persists on rate hopes

A CONVICTION that the Japanese economy would soon pick up gave a further boost to share prices in **Tokyo**. The Nikkei-Dow Jones market average gained 28.96 to finish at 8,340.08 – for its eighth successive rise and fourth consecutive record close.

The market appeared convinced there would be an early cut in Japan's discount rate, although after the close Mr Haruo Maekawa, governor of the Bank of Japan, said such a cut might weaken the yen seriously and cause problems for other countries, as well as Japan.

Hopes of a cut helped trading companies, but blue chips eased because of some profit-taking. Lower-priced steels and textiles continued to firm, along with oil, retail chemical and pharmaceutical issues. Oil issues were also in demand with investors taking advantage of low share prices.

Trading was heavy with first section turnover totalling about 470m shares, compared with 400m on Wednesday.

Trading in government bonds was very light because of the yen's weakness and the prevailing uncertainty about interest rates.

In **Hong Kong**, too, the market closed firm after increased late short-covering and fresh buying. The Hang Seng Index rose 18.87 on the day to 997.85. The market has discounted the likelihood that forthcoming corporate results will be poor, and investors are keenly awaiting results from Cheung Kong, Hutchinson Whampoa, Hongkong Land and Jardine Matheson, which are all due to report 1982 results on March 30.

The announcement that Hongkong Land had sold its 34.8 per cent interest in Hongkong Telephone to Cable and Wireless in a HK$1.4bn deal, came too late to affect the market.

However, unconfirmed rumours of a rights issue took Hongkong Land 33 cents higher to HK$4.40 and Jardine Matheson 40 cents to HK$13.80. Cheung Kong was 25 cents ahead at HK$9.55 while its subsidiary, Hutchinson Whampoa, added 40 cents to HK$14.10.

Meanwhile, a prediction that the Hong Kong stock market would witness a radical shift away from property and into manufacturing and export sectors over the next few years, has been made by Mr Frank Heath, the executive director of Sung Hung Kai Securities.

In **Singapore**, prices closed mostly higher after a strong opening and midday correction. The Straits Times index ended 2.22 higher at 831.53, on volume of 12.5m shares.

One local stockbroking firm, City Securities, said there could be a correction to as low as 800 in the index, though there would be strong support at that level. It added that such a correction would help to digest the gains of recent weeks which had pushed share prices to uncomfortably high levels.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev Close
12⅛	5¼	AAR	.44	3.7	28	73	11⅞	11½	11½	
28	27½	ACF	2.76	8.5	9	106	32⅝	32½	32½	-⅛
20	12⅞	AMF	.136	8.0	32	1635	17¼	17	17	-⅛
27⅞	13	AMR Cp				8434	u28⅝	27½	28¼	+⅝
14⅞	4	AMR	wt			3281	u14⅝	14	14⅝	+½
18¼	12⅞	AMR	pf2.18	13		36	17⅞	17	17	
31½	24⅞	AMR	pf2.13	6.6		589	u32⅞	31¼	32⅛	+1
6⅞	2½	APL				63	5¾	5½	5½	-⅛
45½	24⅛	ARA	2	4.3	14	629	u47½	45¾	45½	+1½
79⅝	24½	ASA	3a	5.3		480	58	56¼	56½	-⅞
27⅞	13⅞	AVX	.32	1.3	32	682	24	22½	24	+⅛
44⅞	27⅞	AbtLab	1	2.3	18	1355	44¼	43½	43¾	+¼
22½	15⅝	AcmeC	1.40	7.8	20	47	17⅞	17⅝	17⅞	
12⅞	5¼	AcmeE	.32b	2.8	30	57	11⅜	11	11¼	-⅛
13¾	4½	AdmDg	.04	.3	12	249	u13⅞	13½	13⅞	+¼
17⅞	12½	AdaEx	1.73e	11		126	16⅛	15¾	15¾	
9⅞	4⅞	AdmMl	.20e	2.2	12	250	9⅛	8¾	9	+⅛
22⅞	12⅝	Advest	.16	.7	14	228	22½	21⅞	22¼	+⅜
39¾	13	AMD	s		62	983	35⅛	34⅜	35⅛	+¼
45¼	32⅞	AetnLf	2.64	6.7	6	2734	40	39⅜	39⅝	+½
58	52⅛	AetL	pf3.70e	6.5		191	56⅞	56½	56⅞	
37⅞	8	Ahmns	.80	1.9		4412	31⅞	31⅛	31¼	-¼
4	2⅛	Aileen				95	3⅛	3¼	3⅛	+⅛
49¼	23⅞	AirPrd	.80	1.8	13	1223	43½	42⅞	43⅛	-⅛
24¼	8½	AirbFrt	.60	2.7	29	109	22⅛	22½	22½	-⅛
3	2	AlMoa	n		4	121	2⅞	2⅝	2⅞	-⅛
31¾	24½	AlaP	pfA3.52	13.		10	30⅝	30⅝	30⅝	-¼
7⅛	5⅞	AlaP	dpf.87	12.		32	7⅛	7	7⅛	
71	54½	AlaP	pf 9	13		z140	70	70	70	-½
74½	57	AlaP	pf9.44	13		z120	73½	72½	73½	
[illegible]										
34⅛	18⅞	Bkrind	.92	6.7	8	3394	18⅞	18	18¼	-½
25⅞	16⅛	Baldor	.32	1.4	16	32	23½	23¼	23½	-⅛
50⅞	18⅞	BaldU	s.86	5.0	3	2523	19	17⅞	17⅞	-1⅛
151	50⅞	BldU	pf2.66	3.7		8	56	54	55½	-1½
33½	18½	BaltCp	s1.04	3.2	10	208	u33⅛	32⅞	32½	-⅛
32⅛	19⅞	BallyMf	.20	1.0	6	954	21⅛	20⅞	20⅞	-⅛
31⅛	24½	BaltGE	2.84	9.5	7	670	30⅞	29⅞	29⅞	-⅛
37⅞	14⅞	BanCal	1.20	4.0	17	777	31¼	30	30¼	-⅛
8⅞	5⅜	BanTex	.20	3.3	10	236	6⅛	6	6	-⅛
45	22⅞	Bandag	1	2.3	15	4	44⅛	43⅞	44⅛	+⅛
23	11	BangP	.80	3.6		113	22½	21½	22½	+1
47⅞	24	BanP	pf 2	4.3		2	46⅞	46⅞	46⅞	+1¼
39⅛	29½	CinG	pf4.75	12.		z250	38⅞	38⅞	38⅞	
62½	47	CinG	pf7.44	13.		z1000	59½	59½	59½	+½
80	59⅞	CinG	pf9.52	13.		z50	76	76	76	-½
33⅞	19⅞	CinMil	.72	2.5	58	507	29⅞	29	29¼	-⅛
42¼	21½	Citicrp	1.88	4.5	7	x6905	41½	41	41¼	+⅛
33¾	18⅞	CityInv	1.80	5.5	8	2948	u33½	32⅞	33	+½
50⅞	28	Chyfr	pf 2	4.0		8	u51½	50⅞	50⅞	
11⅞	5	Clabir	.60b	5.1	11	211	u11⅞	11½	11⅝	+½
32¾	18	ClarkE	1.10	3.5		78	31¼	31	31	-⅛
25	18	ClvCl	1	4.4		647	33	22⅞	22⅞	
21⅞	16⅛	ClevEl	2.28	11	7	303	20½	20⅛	20½	+⅛
15⅞	7	Clevpk	.66	4.1	12	25	14⅞	14½	14⅝	-⅛
32½	15	EGG	.36	1.2	22	428	31⅛	30⅞	31	+⅛
58⅞	23⅞	ESyst	.70	1.2	24	369	57⅞	56⅞	57⅛	+2⅛
22	8⅞	EagleP	.96	4.5	18	111	21½	21	21⅛	-⅛
28⅞	16⅞	Easco	1.32	5.0	9	357	u26⅞	26	26⅞	+⅛
10⅞	4½	EastAir				6123	10⅛	9⅞	10⅛	+½
5⅞	2⅞	EAL	wtO			397	5⅞	5	5⅞	+⅛
17⅞	13⅞	EsAir	pf2.69	16.		34	17	16⅞	17	+½
28	14⅞	EsAir	pf3.60	16.		128	19⅞	19⅛	19⅞	+⅝
26½	25	EsAir	pf 3	11.		498	u27	26⅞	26⅞	+⅛
25	14⅞	EastGF	1.50	6.7	7	1930	21⅛	19⅞	19⅞	-1⅝
15⅞	11⅝	EastUtl	1.70	12.	7	42	15⅞	14⅞	14⅞	-⅛
[illegible]										

Continued on Page 33

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
12½	5⅜	AAV	.32	2.7	8	6	12	12	12	+ ⅛
4¾	2⅝	AICPb				7	4¼	4¼	4¼	
6	1	ATI			21	7829	u6¼	4½	4¼	
6½	1½	AcmePr			29	185	u6¾	6⅝	6½	+ ¼
21⅛	12¾	AcmeU	.40	2.0	19	8	20½	20⅛	20½	+ ¼
25	2½	Action			6	102	24⅛	23	23	−1⅛
9⅝	5⅝	Actons	.10t	1.3		108	7½	7⅜	7½	+ ⅛
3¾	⅞	Acin	wt			6	1⅛	1⅛	1⅛	
6½	1⅛	AdmRs	.10	4.4		11	2¼	2¼	2¼	+ ⅛
27⅜	12	AdRusl	s 1.0	4	25	251	25⅝	25⅛	25⅜	+ 1⅛
21½	11⅞	Adobe	.20	1.3	10	24	15⅝	15¼	15⅝	− ¼
3⅝	2	AeroCp			8	200	3⅝	3⅝	3⅝	− ⅛
21½	8½	Aerofx	1.56t	8.2	16	43	19	18⅞	18⅞	− ⅛
6⅜	2⅜	Aeronca			11	172	6	5⅞	5⅞	− ⅛
21⅝	9⅞	AffHsp	.32	1.6	10	8	20⅜	20⅜	20⅜	+ ¼
30¾	16	AfflPb	s .64	2.0	16	53	u31⅜	31	31¼	+ 1
10¾	3⅜	AlrSix			8	56	10⅛	9⅞	9⅞	− ¼
15½	4⅝	AirExp				409	13⅜	12⅞	13¼	+ ⅛
15⅜	3⅝	AlbaW	.10e	.7	29	654	14⅜	14⅛	14⅜	
21⅝	6	AlienT	.75t	3.5		4	u21⅝	21⅝	21⅝	
10⅞	6½	AlloySt		1.9	269	26	u10⅝	9⅝	10½	+ ½
10⅝	5¾	AlphaA				143	10⅜	9⅜	10⅜	+ ⅜
24⅜	10¼	Alphai	s		28	14	21⅞	21⅞	21⅞	
1¾	½	Alrac				482	1⅜	1⅜	1⅜	+ ⅛
8⅞	4⅞	Altec	pf			8	u8⅞	8⅞	8⅞	+ ⅛
2⅝	1⅝	Altex				149	1½	1⅜	1½	
37	25	Alcoa	pf3.75	11.		2100	35	35	35	+ ⅛
44½	17¼	Amdhl	.40	.9	17	483	43⅝	42⅝	42¾	− ¾
29⅝	8¼	Amedc	s.12	.4	28	36	28¼	27⅝	27⅞	− ¼
5	3⅜	ABltt	s .15	3.2		37	4⅝	4⅝	4⅝	+ ⅛
3⅝	⅞	AmCap				296	u3⅝	3¼	3½	+ ⅛
30	6⅛	AExp	wt			726	u32⅛	29⅞	31⅛	+ 1⅛
[illegible]										

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 32

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										
19⅝	12	WUHFs	2.13			35	18	17⅞	17⅞	
55¾	27½	WsICSv	.72	1.4	16	32	52⅞	52	52¼	− ¼
42⅛	18	WalJm	1	2.3	12	1883	u44	42¾	44	+ 1½
44½	18	WalJ	pf1.60	6.4		2	u47	47	47	+ 2½
50⅞	24¼	Warnac	1.40	2.9	8	51	47⅞	47⅞	47⅞	+ ⅛
58⅝	27	WmCm	1	3.4	7	2882	30¾	29⅜	29⅜	− ⅞
33⅝	19⅞	WarnrL	1.40	4.5	13	901	33	32½	32½	− ⅝

Continued on Page 34

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

CANADA

DENMARK

NETHERLANDS

AUSTRALIA

JAPAN (continued)

FRANCE

NORWAY

SPAIN

HONG KONG

GERMANY

SWEDEN

SINGAPORE

AUSTRIA

JAPAN

SOUTH AFRICA

BELGIUM/LUXEMBOURG

SWITZERLAND

ITALY

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

LONDON

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change
Burmah Oil	150	+ 11
Cable & Wireless	415	− 5
Enterprise Gold	31	+ 2
Glaxo	742	− 25
Hepworth Ceramic	139	− 8
[illegible] Bros & ESA	77	− 5
[illegible]	61	+ 22
Kalgoorla	42	− 13
Meyer [illegible]	137	− 3
Racal Elec	419	− 17
Unigate	969	+ 18
[illegible] & Gordon	142	+ 22

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Wed close	Day's change
BICC	23	232	−31
BAT Inds	17	660	− 10
Bell (Arthur)	17	273	− 8
Eagle Star	17	380	− 10
Prudential	16	398	+ 26
BET Dfd	15	255	− 7
Lon. & Liv. Tst.	15	480	+ 18
Beecham	13	373	− 4
Hambro Life	13	322	− 16
Tarmac	13	420	− 8
Unilever	13	850	+ 5
GEC	13	202	− 4
Ocean Trans.	12	86	+ 1
Shell Trans	12	438	+ 4

NEW HIGHS AND LOWS FOR 1982/3

NEW HIGHS (157)

AMERICANS (23)
CANADIANS (2)
BANKS (5)
BUILDINGS (6)
CHEMICALS (8)
DRAPERY & STORES (3)
ELECTRICALS (3)
ENGINEERING (3)
FOODS (5)
HOTELS (1)
INDUSTRIALS (17)
INSURANCE (3)
LEISURE (2)
MOTORS (3)
PAPER (1)
PROPERTY (1)
TEXTILES (1)
TRUSTS (65)
OIL & GAS (2)
OVERSEAS TRADERS (1)
PLANTATIONS (1)
MINES (1)

NEW LOWS (9)

ELECTRICALS (2)
BICC Breville Europe
INDUSTRIALS (1)
Metamec Jentique
OIL & GAS (4)
American Oil Fields Clay Oil
Berkeley Exploration LASMO
OVERSEAS TRADERS (1)
Mitchell Cotts
MINES (1)
Oakbridge

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar 14	Mar 25	June 16	June 27
Mar 28	Apr 8	June 30	July 11
Apr 18	Apr 29	July 14	July 25

For rate indications see end of Share Information Service

Stocks favoured for the call included Kenning Motor, Camseals, Burmah, Mellins, Sterling Industries, Stylo, Meltoy, Quest Automation, Bryant, Spring Grove, First National Finance, Ladbroke, TrustHouse Forte, Chloride, TI, Stewart Nairn, Abwood Machine Tools, Carpets International, Lucas, Amalgamated Estates, Marks and Spencer and Molins. No puts were reported. Doubles were taken out in First National Finance, North Kalgurli, Chloride, Britannia Arrow, John Finlan, John Brown, Resource Technology and Abwood Machine Tools.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

Thur March 24 1983

FIXED INTEREST

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

RISES AND FALLS

	Rises	Falls	Same
British Funds	75	5	18
Corpns. Dom. & Foreign Bonds	33	2	43
Industrials	245	226	860
Financial & Props.	176	58	285
Oils	28	26	56
Plantations	1	3	18
Mines	46	32	74
Others	60	33	70
Totals	664	385	1,424

FINANCIAL TIMES STOCK INDICES

	Mar. 24	Mar. 23	Mar. 22	Mar. 21	Mar. 18	Mar. 17	year ago
Government Secs.	80.53	79.98	80.45	80.02	80.74	81.40	68.21
Fixed Interest	82.30	82.06	82.48	82.65	82.90	83.14	68.66
Industrial Ord.	654.8	654.3	650.4	652.3	661.0	661.0	559.9
Gold Mines	560.7	548.5	558.8	535.6	551.2	546.0	240.7
Ord. Div. Yield	4.01	4.94	4.89	4.94	4.87	4.88	6.61
Earnings, Yld.% (full)	10.37	10.47	10.37	10.48	10.34	10.25	10.74
P/E Ratio (net) (*)	11.65	11.51	11.63	11.51	11.00	11.79	11.85
Total bargains	22,778	23,555	23,323	24,328	25,20	22,440	23,047
Equity turnover £m.	—	206.96	206.75	178.97	267.21	224.05	141.3
Equity bargains	—	18,674	19,774	21,406	24,077	20,431	20,162
Shares traded (ml)	—	123.7	128.1	120.1	175.6	146.8	116.4

10 am 655.1. 11 am 654.9. Noon 652.4. 1 pm 651.6.
2 pm 651.2. 3 pm 652.4.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55 SE Activity 1974.

Latest Index 01-246 8026.

Nil = 10.89.

HIGHS AND LOWS

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	86.84 (6/11)	61.89 (6/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.00 (12/11)	62.78 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	675.6 (15/3/83)	518.1 (5/1/82)	675.6 (15/3/83)	49.4 (26/6/40)
Gold Mines	734.7 (16/2/83)	181.2 (22/6)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Mar. 93	Mar. 22
—Daily		
Gilt Edged Bargains	186.3	192.6
Equities Bargains	120.3	198.1
Equities Value	410.9	417.9
5-day Avrge		
Gilt Edged Bargains	206.4	213.0
Equities Bargains	136.1	167.1
Equities Value	437.9	443.4

NEW YORK AND CANADA

NEW YORK—DOW JONES

Indices

STANDARD AND POORS

N.Y.S.E. ALL COMMON

RISES AND FALLS

MONTREAL

TORONTO Composite

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 33

R—R—R

S—S—S

T—T—T

U—U—U

V—V—V

W—W—W

X—Y—Z

NEW YORK CLOSING PRICES

Continued from Page 33

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
25¾	17⅞	ZaleCp	1.28	5.1	33	69	24½	24	24½	+ ⅛
19½	14½	ZalegiA	.80	4.2		2	19	19	19	+ ½
21⅞	11⅝	Zapata	.84	5.8	3	441	15¼	14⅞	15	+ ⅛
75	26⅝	Zayre	.60	.8	16	95	u75¾	74⅛	75¼	+ ⅞
18⅞	9¼	ZenithR				1186	17⅞	17	17⅞	−⅛
32¼	13½	Zero	s .48	1.5	20	26	32	31⅞	32	+ ⅛
35¾	18½	Zurnin	1.32	4.1	9	83	32⅞	32½	32½	+ ⅛

COMMODITIES AND AGRICULTURE

Blended credit for Chile approved

THE U.S. Agricultura Department has approved a $144.5m (£95.69) package of blended credit and commercial credit guarantees for Chile to finance a 1m-tonne grain purchase, Reuter reports.

The package will provide for the sale of about 700,000 tonnes of U.S. wheat and about 300,000 tonnes of U.S. maize.

The credits will allow Chile to increase its total grain imports above previously planned levels, said Mr John Block, Agriculture Secretary.

Mr Block, speaking on his North African-Middle East tour, said oo decision has been taken yet on whether the payment-in-kind (Pik) programme will be extended beyond the current crop year for wheat and maize. Weather would be a factor in determining extension of the programme, he said.

Meanwhile, in the wake of farmers' response to the Pik programme, the Agriculture Department has made the following initial projections for 1983: Maize, 5.64m bushels; all wheat, 2.265m bushels; soyabeans, 2.1m bushels; cotton, 9.2m bales.

K. K. Sharma writes from New Delhi: A severe drought in 10 of India's 22 states has badly damaged the winter crop and heavy losses in foodgrain production are feared for the second successive year.

The drop in foodgrain production could be as much as 10m tonnes, according to unofficial estimates. This will mean a serious depletion of food stocks and make further imports of wheat and other grain inevitable.

The Government is not making any announcement of the quanity of imports required bnt Mr V. P. Singh, the Commerce Minister, has said that these will take place again this year.

Cocoa council likely to delay buffer stock buying decision

BY JOHN EDWARDS, COMMODITIES EDITOR

THE TWO-WEEK sessioo of the International Cocoa Organisation (ICCO) in London is expecred to end today with no agreement to resume support buying by the buffer stock of the International Cocoa Agreement.

It was understood yesterday that a-fnil meeting of the International Cocoa Council today will formerly appcove postponing any decision on renewing buffer stock buying until its next meeting from July 11-22.

Delegates at the talks have failed to agree once again on how to utilise the $75m loan obtained from a Brazilian banking coosortium to strengthen the bnffer stock resources. At the same time there is now an additional $33m eveilable to the buffer stock accumulated from the 2 cents a pound levy imposed oo cocoa exports. Little progress appears to have beeo made either on preparations for negotiating a new international cocoa agreement when the present pact expires at the end of next year.

London traders bad already discounted the possibility of renewed support buying being authorised. However prices on the futures market eased again yesterday in spite of the weaker trend in sterling and news thot the Ghana government had launched an emergency programme to help cocoa and coffee farmers hit by bush fires recently.

London coffee futures prices, however, rose to new highs yesterday. The May position closed £10.5 up at £1,898 a tonne after climbing to £1,920 at one stage.

Optimism on tin group

BY WONG SULONG IN KUALA LUMPUR

DATUK PAUL LEONG, the Minister, yesterday expressed Malaysian Primary Industries optimism that an association of tin producing countries would be formed soon.

Mining ministers from seven tin prodncing countries —Malaysia, Indonesia, Thailand, Bolivia, Australia, Nigeria and Zaire — will meet in London on Monday to discuss the articles of the proposed association.

... Datuk Leong, who is heading the Malaysian team, did not indicate how some of the differences between Malaysia and Indonesia, which he had earlier acknowledged to be "fundamental," could be resolved.

However, it is understood that since the technical experts meeting in London last month, there have been contacts between Indonesian and Malaysian officials, and differences have narrowed.

Formation of the tin producers association has been held up because Indonesia is against the Malaysian proposal that the associatioo should haae powers to operate a buffer stockpile and impose export controls, while Malaysia does not agree with the Indonesian view that decisions of the association should be by consensus.

Commenting on tin prices which have risen to a record high of over £9,000 per tonne on the Londoo Metal Exchange, Datuk Leong said the price rise was deceptive because of the decline in sterling.

● John Edwards writes: The further fall in the value of sterling helped push tin values to record levels on the Loodoo Metal Exchanges yesterday. Cash tin closed £28 higher at £9,157.5 a tonne in spite of the Straits tin price in Malaysia remaining unchanged at M$30.51 a kilo.

Copper prices advanced too, following heavy buying interest by speculators covering previous sales. The cash price of high-grade cash copper elosed £26.5 up at £1,081 a tonne.

West Germany faces cod ban

WEST GERMAN trawlers could be barred from Canada's cod fisheries following a further round of inclusive talks aimed at resolving the dispute between Ottawa and the EEC over their Long-Term Fisheries Agreement (LTA).

Officials yesterday described the two-day talks as "useful in defining the outstanding problems," but it was clear that no conclusive progress was made despite indications that Canada may be prepared to soften its demands.

Canada bad been insisting on hefty compensation for what it says could be 1982 losses of up to C$12m because of unforeseen restrictions in the EEC's arrangements for taking Canadian fish-product imports.

Instead, Canada appears to have concentrated in the latest talks on seeking greater future access for its products.

Under the six-year LTA which came into force at the beginning of last year, the EEC is granted fishing rights, primarily for West German trawlers, in return for accepting Canadian imports on preferential terms.

Slower decline in liquid milk consumption

By Richard Mooney

THE RATE of decline in liquid milk consumptioo in Englaod and Wales slowed considerably last month. At 477.4m litres the total was only 0.4 per cent down fcom February 1982 compared with year-on-year declines of 3.6 per cent in January and 1.7 per ceot in December, according to provisional figures published by the Milk Marketing Board.

Total deliveries of milk off farms rose 10 per cent compared with February 1982 to 1,090.9m litres and supplies going for manufacturing were up 19.8 per ceot at 613.5m litres.

● SENATOR Strom Thurmood has urged the government to implement President Ragan's decision to upgrade the U.S. chromium stockpile. hTis could help save Macalloy, which converts chromium into ferro-chromium alloys, from bankruptcy.

● THE Chicago Board of Trade plans to start trading crude oil futures contracts at 9 am on March 30.

● DENMARK is to ask the EEC to take retaliatory trade measures against Sweden and Norway because the two Scandinavian countries have refused to lift restrictions on imported Danish meat and dairy products imposed after outbreaks of foot and mouth disease.

● AN AGREEMENT allowing commercial tuna fishing boats from the U.S., Japan and other countries to fish within 200 miles of Central and South American Pacific coastline is expected to become effective later this year.

● MR PETER POOLEY, an Agriculture Ministry Under-Secretary, is to become European Commission deputy director-general (agriculture), succeeding Mr David Williamson.

Moralising and philosophising over subsidies and shortages

FIFTY YEARS ago the world's grain and other food markets were overflowing with produce far in excess of economic demand. At the same time a great many people lacked the basics of nutrition and some were dying of hunger.

Farmers olmost everywhere were fighting desperotely to survive, nowhere more so than in the U.S. This was wheo President Roosevelt laid dowo the remedy of paying people not to groduce grain and any other food commodity in surplus.

This policy known as "set aside," was practised off and on in the U.S. until a few years ago.

Exactly the same situation faces us today except that the quantities in surplus are much greater because of farming impcovements. The undernourished, too, are more numerous than they were.

Inefficiency

Now the U.S. has come up with another restrictive practice called "Payment in kind" (Pik) which Mr John Block, U.S. Agriculture Secretary, spoke of proudly at the FT conference this week on world outlook for grains.

Nothing underlined the inefficiency of the world's present economic management more starkly than to hear Mr Block announce a retuco to the basic philosophy of engineering a shortage to force up prices. Of course, the audience applauded him.

After two days of comment oo the state of the cereal markets even the most obtuse participant must have become aware of the bearish flavour of most of ibe papers.

Summarised, they beld out no hope of market impcovement for the rest of the decade and foretold even more bad-tempered wrangling between the EEC and the other food trading couotries on the question of export subsidies and other impediments to the free movement of goods throughout the world.

I asked Mr Block if he expected that the EEC would reciprocate and actually do something to reduce its own excessive output and consequent dumping on world markets.

He seemed to have little more than a faiot hope of a constructive appcoach to this subject, and he gave me more than a hint of an extension of the sale of subsidised flour which the U.S. had made to Egypt, about which the Commission and the French are very oggrieved.

He is now visitiog poteotial customers in the Mediterranean and Middle East.

In fact, both sides to this argument have doubtful justification for their behaviour. Because it laid down the basis of a Common Agricultural Policy some 20 years ogo which included subsidising food exports, the EEC seems to think that other countries should accept the principle but not do likewise themselves.

But the Americans also subsidise their farmers and their exports. The only difference between them is that U.S. farmers are subsidised at a much lower level per individual comodity than those in the Community.

In grain, for instance, the American farmer gets about two-thirds of the EEC price. It is also true to say that U.S. output of grain and milk has increased even foster than that in the EEC. Nor did Mr Block elaborate on what would happeo to Pik next year. Was it going to be a continuing policy or just a one-off affair?

There were hints, too, that other countries were going to have little to do with restraining production. Canada, Argentina and Australia are pushing up output as hard as they know how, while even highly industrialised Japan is sheltering its farmers on the same lines as any other protectionist country.

A little, but not too much, was made of the fact that should Russia and the Easteco bloc have a good harvest and cease importing the results on the world's farming economies would be catasteophic.

As a farmer benefiting from the CAP, I cannot help wondering sometimes if the protection afforded me by that policy is going to last forever. Will the taxpayer and consumer be happy to sustain European farmers in the manner to which they have become accustomed forever, while the rest of the population is suffering unemployment and reduced living staodards?

Vulnerable

I don't expect an immediate attack but I do feel that cereal growing could be extremely vulnerable in a search for economies.

The arguments for attacking this sector are cogent. Cereal farms are large though the numbers involved are small as compared with say, dairying. Minorities suffer in democratic institutions.

There is little danger of shortage. The world is full of grain ond there is potential for a great deal more. As for the hungry people who are always being called to mind, I am afraid they must either learn to grow the food themselves or do without as they always have, even in the 'thirties of which today's circumstances are a reflection.

Farmer's viewpoint
By John Cherrington

PRICE CHANGES

In tonnes unless stated otherwise	Mar. 24 1983	+ or —	Month ago
Metals			
Aluminium	£810/818		£810/815
Free Mkt.	$1260/1270		$1265/1295
[illegible]			

	Mar. 24 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$495w	+5	$467.5
Groundnut	[illegible]		[illegible]
[illegible]			

‡ Unquoted. x April. z May. w April-May. y March-April. t Per 16-lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.00-28.15	—
Iranian Light	26.10-27.60	—
Arabian Heavy	25	+0.85
North Sea (Forties)	27.90-28.00	—
North Sea (Brent)	28	—
African(Bonny Li'ht)	28.30	—
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	274-278	+1.0
Gas oil	225-234	—0.5
Heavy fuel oil	157-160	—

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
March	232.00	+1.00	233.00-32.00
April	232.50	+4.75	233.00-28.50
May	231.50	+4.50	233.00-28.00
June	230.00	+4.00	232.00-28.50
July	229.50	+5.75	231.00-28.00
Aug	231.75	+4.50	232.00-28.75
Sept	233.50	+5.50	234.00-30.50
Oct	234.25	+4.75	234.00-30.50
Nov	234.00	+0.75	234.72

GOLD MARKETS

Gold rose $5¾ an ounce from Wednesday's close in the London bullion market yesterday to finish ot $414¾-15¾. The metal opened at £414¾-15¾ and traded between a low of $414-15 and a high of $419¾-20¾. The market was very active in a narrow range. It bad been expected to weaken but prices were boosted by Wednesday night's short covering in New York.

In Frankfurt the 12½ kilo bar was fixed ot DM 32,270 per kilo ($416 per oz) against DM 32,320 ($415) and closed at $415-16.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $416.75.

In Paris the 12½ kilo bar was fixed at FFr 97,200 per kilo ($418.26 per oz) in the afternooo compared with FFr 97,000 ($415.71) in the morning and FFr 96,000 ($410.57) oo Wednesday afternoon.

In Zurich gold finished at $414-$417 per ounce.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
April	416.00-15.2	+6.050	421.00-14.0
May	417.50-18.3	+6.000	
June	421.50-22.2	+6.500	427.00-21.8
July	424.00-25.0	+5.550	427.00
August	427.50-28.0	+5.750	430.00-26.2
Sept	430.50-31.5	+5.750	—

GOLD MARKETS

	Mar. 24		Mar. 23	
Gold Bullion (fine ounce)				
Close	$414½-415½	(£283-283¾)	$408¾-409¾	(£280-280¾)
Opening	$414½-415½	(£284¾-285½)	$418½-410½	(£284-284¾)
Morning fixing	$415	(£284.050)	$415	(£281.661)
Afternoon fixing	$415.50	(£283.579)	$410	(£280.438)

Gold Coins Mar. 24					
Krugrnd	$425-427	(£290¾-291½)	King Sov	$102-104	(£69½-71)
½ Krg	$210½-220½	(£140¾-150½)	Victoria Sov	$102-104	(£68½-71)
¼ Krg	$111¾-112¾	(£70¼-77)	French 20s	$92-94	(£62¾-64¼)
1/10 Krug	$45¼-46½	(£31-31½)	50 pesos Mex	$508-511	(£347½-348)
Mapleleaf	$425-426½	(£290¼-291¼)	100 Cor. Aust	$403-407	(£275¼-278)
New Sov	$97½-98¼	(£65½-67)	$20 Eagles	$555-575	(£378-392½)
½ New Sov	$58-60	(£39½-41)			

EUROPEAN MARKETS

ROTTERDAM, March 24.

WHEAT—(U.S. $ per tonne): U.S. No. Two Red Winter April 171, May 171, June 165, July 164, August 166. U.S. No. Three Amber Durum April/May 183, May 182, June 182, July 183, August 184. U.S. No. Two Northern Spring 14 per cent April 180, May 179.50, June 179.50, July 179.50, August 180.50. Canadian Western Red Spring April/May 199.

MAIZE—(U.S. $ per tonne): U.S. No. Three Yellow March 144, April 143, May 144, June 145, July/Sept 146, Oct/Dec 142, Jan/March 148 sellers.

SOYABEANS—(U.S. $ per tonne): U.S. Two Yellow Gulfports April 260.50, May 261.75, June 264.75, July 257.10, August 260, Sept 263.90, Oct 263.90, Nov 263.50, Dec 267.80, Jan 271.50, Feb 278 sellers.

SOYAMEAL—(U.S. $ per tonne): 44 per cent April/Sept 223, Nov/March 243/243.50 traded; afloat 219, March 216, April 220, April/Sept 223, Nov/March 243.50 sellers. Pellets Brazil afloat 232, April 229, May 229, April/Sept 231 sellers.

PARIS, March 24.

Cocoa—(FFr per 10 kg): March 1305-1315, May 1356-1358.50, July 1365 bid, Sept 1442-1443, Dec 1417-1435, March 1430-1455, May 1450-1475.

Sugar—(FFr per tonne): May 1560-1565, July 1620-1640, Aug 1651-1655, Oct 1685-1690, Nov 1690-1700, Dec 1760-1765, March 1880-1865, May 1910-1920.

BRITISH COMMODITY MARKETS

BASE METALS

METAL PRICES rose sharply on the London Metal Exchange. The failure of copper values to move below the £1,080 on Wednesday encouraged heavy short covering and renewed buying interest which saw three months metal break through significant chart points and touch a day's high of £1,117 before closing at £1,111. Other metals registered sympathetic gains, especially Aluminium, £906, after £908. Lead closed at £308.5, Zinc at £479 and Nickel at £3,420, after £3,430. Tin moved up to a record £9,190 but closed at £9,170 following light profit-taking.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	1080.5-1.5	+28	1080.5-1.5	+28.5
3 months	1113.5-4.5	+28.7	1113.5-4	+27
Settlem't	1081.5	+28	—	
Cathodes				
Cash	1060-61	+29.7	1067.5-8	+28.2
3 months	1090-.5	+27.7	1089-90	+27
Settlem't	1061	+28.5	—	
U.S. Prod.	—	—	*79-83	

Amalgamated Metal Trading reported that in the morning Higher Grade traded at £1105, 09, 07, 08, 09, 10, 11, 12, 13, 14, 13, 13.50. Cathodes: Three months £1080. Kerb Higher Grade: Three months £1113, 17, 15.50, 15, 15.00, 16. Afternoon: Higher Grade: Three months £1113, 14, 13.50, 13, 13.50, 12.50, 13, 13.50, 14, 13.50. Cathodes: Three months £1089. Kerb Higher Grade: Three months £1113, 12, 11.50, 12, 11, 10.50, 10, 10.50. Turnover 37,575 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	9158-62	+16.5	9155-60	+20
3 months	9185.00	+25	9180.5	+25
Settlem't	9162	+10	—	
Standard				
Cash	9158-68	+16.5	9155-60	+20
3 months	9185-90	+29	9180.5	+25
Settlem't	9162	+10	—	
Straits E.	$30.51	—	—	
New York				

Tin—Morning: Standard: Cash £9160, 58, three months £9185, 90. Kerb: Standard: Three months £9185, 80, 75. Afternoon: Standard: Cash £9160, three months £9180, 77, 78, 80. Kerb Standard: Three months £9180, 70. Turnover 1,145 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	297.5-8	+5.5	299-300	+5
3 months	308.5-9	+3.5	310.5-1	+5
Settlem't	298	+5.5	—	
U.S. Spot	—	—		

Lead—Morning: Cash £297.50, 98. Three months £310, 09.50, 05, 08, 09. Kerb: Three months £309, 08.50. Afternoon: Three months £309, 09.50, 10, 11. Kerb: Three months £319.50, 10, 11, 10.50, 10, 09.50, 09, 08. Turnover 12,450 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	458-9	+5.25	467-8	+0.5
3 months	483.5-4	+8.15	482-.5	+8
Settlem't	460	+8.5	—	
Primw'ts	—		*40-.75	

Zinc—Morning: Cash £467.50, 68, three months £484.50, 85, 84.50, 84, 85, 84.50, 84, 83.50, 83, 84. Kerb: Three months £484, 83.50, 83, 82.50. Afternoon: Three months £482, 81, 82, 83.50. Kerb: Three months £481, 80.50, 80, 79. Turnover 28,350 tonnes.

ALUMINIUM

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	878-6	+15.5	876-8	+15.5
3 months	906-.5	+15.7	905-.5	+16

Aluminium—Morning: Three months £899, 900, 01, 02, 01, 900, 01, 900.50, 05, 06, 07, 06, 07, 06, 07, 0.50, 06, 05.50, 06, 06.50. Kerb: Three months £907, 06, 05, 05. Afternoon: Three months £906, 04.50, 06, 05, 06.50, 05. Kerb: Three months £904, 04.50, 04, 03, 02. Turnover 27,500 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	3540-50	+42.5	3530-40	+34
3 months	3420-5	+41	3415-20	+38

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

Nickel—Morning: Three months £3390, 95, 3400, 10, 20, 18, 20, 25, 20. Kerb: Three months £3430. Afternoon: Three months £3415, 20, 25, 15, 10, 15, 13. Kerb: Three months £3405, 10, 05, 3400, 10, 20. Turnover 1,962 tonnes.

SILVER

LME—Turnover 172 (137) lots of 10,000 ozs. Morning: Three months 744.0, 44.5, 42.0, 41.0, 42.0. Kerb: three months 743.0, 43.0. Afternoon: three months 739.5, 40.0, 38.0, 38.5, 38.0, 37.0. Kerb: three months 737.0, 36.5, 35.0, 36.0.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	722.50p	+21.5	716p	+19.5
3 months	740.50p	+22.3	707.25p	+20.7
6 months	757.00p	+22.8	—	—
12 months	792.00p	+22.0	—	—

Silver was fixed 21.95p an ounce higher for spot delivery in the London bullion market yesterday at 722.50p. U.S. equivalents of the fixing levels were: spot $10.575, up 34.45c; three months $10.805, up 33.4c; six months $11.027, up 33c; and 12 months $11.512, up 32.8c. The metal opened at 719-722p ($10.48-10.53) and closed at 717-720p ($10.50-$10.55).

COCOA

Having failed to make the dues, futures drifted uneasily within a narrow range. Physicals were generally dull although there was light products offtake in the second hand market, reports Gill and Duffus.

COCOA	Yest'day's Close	+ or —	Business Done
	£ per tonne		
March	1248-50	—4.5	1255-50
May	1258-56	—5.0	1073-50
July	1275-77	—4.5	1291-75
Sept	1292-93	—3.5	1306-90
Dec	1315-14	—2.0	1224-00
March	1331-67	—2.0	1034-98
May	1346-48	+1.5	1346-34

Sales: 3,969 (4,140) lots of 10 tonnes.

ICCO—Daily price for March 24: 81.11 (80.68). Indicator prices for March 25: 80.87 (81.33).

COFFEE

Fresh contract highs were again established in active trading, reports Drexel Burnham Lambert. Gains of up to £43 were registered due to commission house buying but prices retreated towards the close before trade support prevented any sharp decline.

COFFEE	Yesterday's Close	+ or —	Business Done
March	1891-05	+28.0	1946-50
May	1897-99	+10.5	1920-90
July	1756-59	+11.5	1755-50
Sept	1571-72	—2.0	1595-70
Nov	1017-10	—8.5	1544-15
January	1589-96	+7.5	1600-89
March	1575-80	+25.0	1565-60

Sales: 6,327 (6,226) lots of 5 tonnes.

ICO Indicator prices for March 23 (U.S. cents per pound): Comp. daily 1979 124.34 (123.37); 15-day average 123.04 (122.90).

GRAINS

Business done—Wheat: May 136.00-5.60, July 138.80-8.35, Sept 117.20-7.10, Nov 119.75-9.65, Jan 122.90-2.80. Sales: 292 lots of 100 tonnes. Barley: May 122.00-1.60, Sept 110.75-10.70, Nov 116.00-3.95, Jan 117.25 only. Sales: 50 lots of 100 tonnes.

The market opened unchanged. Nervous country buying pushed prices higher after which they drifted until shippers offered wheat. New crops were again far rebut lightly traded, reports Acli.

WHEAT			BARLEY	
Mnth	Yesterd'ys close	+ or —	Yest'rd'ys close	+ or —
May	155.60	—0.25	121.95	+0.05
July	138.35	—0.25	—	—
Sep	117.15	—0.05	110.75	—
Nov	118.65	—0.05	115.85	—
Jan	122.80	—0.10	117.25	—

HGCA—Locational ex-farm spot prices. Feed Barley: S. East 125.00, N. West 122.50. The UK monetary coefficient is 1.010 effective from March 24 and is expected to remain unchanged for the week beginning Monday March 28.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent May 134.50, June/July 134.50 trans shipment east coast sellers. English feed fob Sept 120 east coast seller. Barley: English feed fob March 126.50 Gunness April 125.75, Gunness April/June 128 east coast, Sept 113.50 east coast sellers. Rest unquoted.

POTATOES

Long liquidation on April pushed the price down to £56.50, taking May to £83.40 before buyers re-asserted themselves. New crops attracted some more interest, with light trade in all positions, reports Coley and Harper.

Month	Yesterd'y's close	Previous close	Business Done
	£ per tonne		
April	57.10	58.50	58.20-55.50
May	64.70	64.90	65.10-63.40
Nov	67.30	67.40	67.50
Feb	77.30	77.50	77.80
April	87.50	88.80	88.00-87.50

Turnover 1,368 (1,217) lots of 40 tonnes.

RUBBER

The physical market opened about slightly steadier and with little physical interest throughout the day closed uncertain. Lewis and Peat reported an April fob price for No. 1 RSS in Kuala Lumpur of 239.0 (237.5) cents a kg and SMR 20 237.0 (236.0).

No. 1 R.S.S.	Yesterdys close	Previous close	Business Done
	£ per tonne		
Apr	735-750	740-778	—
May	745-755	756-760	—
Apl-Jne	744-747	701-753	750-743
Jly-Sept	767-769	771-773	775-785
Oct-Dec	794-795	796-797	707-788
Jan-Mch	818-810	820-823	—
Apl-Jne	840-845	847-850	—
Jly-Sept	870-874	875-879	877-868
Oct-Dec	892-895	898-901	883-890

Sales: 240 (294) lots of 15 tonnes nil (nil) of 5 tonnes.

Physical closing prices (buyers) were: Spot 74.00p (same); April 74.75p (75.50p); May 76.25p (77.25p).

SOYABEAN MEAL

Prices opened £1.50 higher on follow-through buying, reports T. G. Roddick, but eased from the highs on slight profit-taking.

	Yesterdy's Close	+ or —	Business Done
	£ per tonne		
April	151.60-53.0	+0.30	153.00-50.50
June	155.00-55.5	+1.55	155.50-54.50
August	156.30-56.5	+1.10	156.50-55.00
October	162.20-62.5	+0.85	163.00-62.40
Dec	169.10-69.5	+1.20	170.00-68.00
Feb	174.00-74.5	+1.00	175.50-73.50
April	173.70-74.4	+0.90	174.50-73.50

SOYABEAN OIL—The market opened $3.00 higher in quiet trade but eased on mixed selling. Close (U.S. $ per tonne): April 402, 408.50, 409-407.50; June 417.50, 421, 423-421.50; August 429, 433, untraded; Oct 442, 447, untraded; Dec 458, 461, untraded; April 465, 477, untraded; June 475, 491, untraded. Sales: 34 (211) lots of 25 tonnes.

SUGAR

LONDON DAILY SUGAR—Raw sugar £108 (£107) a tonne cif March-April-May shipment. White sugar £146 (same).

Prices initially eased from overnight levels on profit-taking before the weakness of sterling discouraged sellers from offering at the lower levels. Later, as New York quotations improved, all the losses were recovered, reports C. Czarnikow.

No.4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
May	120.20-20.25	118.60-18.70	120.75-17.90
Aug	127.75-28.00	126.25-26.50	128.25-25.75
Oct	134.50-34.75	133.50-33.25	135.00-32.75
Dec	140.25-40.55	139.00-39.50	140.00
March	150.00-50.50	148.25-48.50	150.50-48.00
May	153.50-54.00	151.00-52.25	152.25

Sales: 2,504 (2,727) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £213.50 (£212.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for March 23: Daily prices 6.14 (6.22); 15-day average 6.13 (same).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. May 563.0, 563.0, 569.0-562.0; July 583.0, 585.0, 590.0-583.0; Oct 57d 0, 575.0, 577.0-575.0; Dec 583.0, 584.0, 587.0-583.0; March 601.0, 602.0, 601.0; March 610.0, 615.0, 611.0-610.0; July 620.0, 625.0, untraded. Sales: 118.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. March 387 seller nil; May 392, 397, 393-392; August 412, 420, 414-410; Oct 417, 020, 418-417; Dec 422, 427, 423-422; Jan 425, 428, 427-424; March 434, 440, 435-433; May 438, 444, 440-439; August 451, 454, 451-450. Sales: 85.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 100 tonnes. Mixed operations indicated some freer involvement among spinners. Activity centered on Middle Eastern growths including Russian and Turkish.

MEAT/FISH

MEAT COMMISSION — Average fatstock prices at representative markets. GB—Cattle 94.01p per kg lw (−0.50). GB—Sheep 201.76p per kg est dcw (+13.33). GB—Pigs 87.29p per kg lw (−1.20).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 77.8-81.6. Veal—Dutch hinds and ends 130.0-134.0. Lamb—English small 82.7-89.3, medium 78.7-84.0, heavy 73.0-78.5; Scotch heavy 71.0-78.5; Imported: New Zealand PL 51.5-52.5. Pork—English, under 100lb 33.0-50.0, 100-120lb 42.0-48.0, 120-160lb 35.0-44.0.

GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £5.00-7.00, codlings £4.00-5.00; large haddock 5.20-5.50, medium £4.30-4.90, small £2.80-3.60; best small plaice £4.30-5.70; skinned dogfish (large) £13.00 (medium) £10.50-11.50; lemon sole (large) £11.00, (medium) £9.00; rockfish £3.80; saithe £1.80-2.40.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package [illegible]

INDICES			
FINANCIAL TIMES			
Mar. 23	Mar. 22	M'th ago	Y'ar ago
271.01	268.18	259.38	246.34
(Base: July 1 1952=100)			
REUTERS			
Mar. 24	Mar. 23	M'th ago	Y'ar ago
1752.8	1741.4	1701.6	1592.4
(Base: September 18 1931=100)			
MOODY'S			
Mar. 23	Mar. 22	M'th ago	Y'ar ago
1030.5	1030.5	1065.8	099.2
(December 31 1931=100)			

DOW JONES	Mar. 23	Mar. 22	Month ago	Year ago
Spot	150.29	157.05	144.88	126.49
Fut'rs	143.12	141.75	148.26	128.58
(Base: December 31 1974=100)				

AMERICAN MARKETS

NEW YORK, March 24.

Commission house liquidation on the failure to follow through on the previous day's rally put the precious metals on the defensive; weaker financial instruments intensified the late sell-off in gold. Copper prices rallied on keen trade interest from overseas and on moderate arbitrage action as sterling stabilised. Heating oil was strong following a bullish API report on gasoline stocks as well as on the announcements of BNOC that prices would hold for the time being. Cotton continued to rally on a bullish trade interpretation of the Pik programme participation which indicates the sharpest potential cutbacks in areas which traditionally provide stocks for deliveries on the futures. Cocoa prices were lower on dealer selling and arbitrage pressure in relatively light trading. Coffee prices were marginally lower on profit-taking following a sharp rally on Wednesday. Sugar prices rallied on steady technical support and on reports of active inquiries from the Far East, probably representing Japanese interests. Soyabeans finished mixed and maize and wheat fractionally lower on profit-taking following the recent rise in prices; the selling was partially offset by new speculative buying in anticipation of a further advance, reported Heinold Commodities.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
May	1667	1690	1660	1691
July	1706	1731	1702	1729
Sept	1738	1759	1733	1758
Dec	1775	1800	1775	1803
March	1790	—	—	1818
May	1830	—	—	1870

COFFEE "C" 37,000 lbs, cents/lb

	Close	High	Low	Prev
May	126.33	125.75	125.40	126.58
July	124.32	124.95	123.00	124.66
Sept	122.95	123.40	122.25	122.44
Dec	121.88	121.00	120.30	120.38
March	119.95	119.95	117.75	117.75
May	115.00	115.00	115.00	114.88
July	112.00	111.00	111.00	111.25

COPPER 25,000 lbs, cents/lb

	Close	High	Low	Prev
March	72.65	73.00	72.00	71.75
April	72.70	—	—	71.00
May	73.45	73.75	73.05	72.55
July	74.85	75.00	74.55	74.05
Sept	75.40	76.70	78.05	75.00
Dec	70.20	78.50	77.80	77.35
Jan	70.60	79.00	78.50	71.95
March	79.95	80.40	79.50	79.15
May	81.00	81.40	80.00	80.25
July	82.05	82.30	81.80	81.35

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
May	74.60	74.75	73.10	73.52
July	73.82	74.10	72.95	73.56
Oct	72.52	73.00	72.10	72.50
Dec	72.47	72.84	71.85	72.24
March	73.50	73.60	73.25	73.25
May	74.00	—	—	73.95
July	74.75	—	—	74.50

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
March	410.0	419.7	419.0	d17.9
April	010.5	418.5	410.9	416.5
May	413.6	—	—	421.5
June	416.4	424.5	415.5	424.5
August	422.7	431.0	422.0	430.9
Oct	429.3	437.0	431.0	437.5
Dec	436.1	443.5	434.5	444.5
[illegible]				

[illegible]

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
May	6.84	6.60	0.64	6.71
July	7.10	7.18	6.97	7.01
Sept	7.40	7.48	7.28	7.27
Oct	7.64	7.72	7.52	7.52
March	6.59	8.71	8.53	6.55
May	8.86	8.95	8.83	6.81
July	9.00	9.20	9.10	9.00

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb

	Close	High	Low	Prev
April	68.35	68.40	67.60	67.72
June	67.87	67.96	67.07	67.27
Aug	64.82	64.60	64.50	64.57
Oct	61.60	61.95	61.52	61.60
Dec	62.67	62.85	62.00	62.55
Feb	62.50	62.70	62.40	62.60

LIVE HOGS 30,000 lbs, cents/lb

	Close	High	Low	Prev
April	49.20	49.47	48.85	49.20
June	52.12	52.45	52.00	52.35
July	52.72	52.90	52.50	52.72
Aug	50.52	50.85	50.40	50.60
Oct	46.20	46.40	46.02	46.25
Dec	46.45	46.70	46.40	46.40
Feb	46.65	47.10	46.50	46.20
April	45.95	45.95	45.55	45.75
June	46.70	46.70	46.02	46.50

MAIZE 5,000 bu min, cents/56 lb bushel

	Close	High	Low	Prev
May	305.6	308.0	303.4	308.0
July	312.2	315.6	311.0	315.0
Sept	309.0	312.4	307.9	312.0
Dec	307.0	308.6	305.4	308.2
March	316.0	318.0	313.4	316.6
May	321.2	323.4	320.0	323.0
July	326.0	329.4	325.4	329.0

PORK BELLIES 38,000 lbs, cents/lb

	Close	High	Low	Prev
March	69.70	70.30	69.70	71.70
May	70.57	71.70	70.40	72.00
July	70.47	71.60	70.35	72.25
Aug	67.75	68.95	67.55	69.50
Feb	61.90	62.60	61.35	61.27
March	67.30	61.00	60.95	60.10
May	62.70	62.70	62.00	61.80
July	62.70	63.70	62.70	63.00
Aug	61.05	61.05	61.05	60.00

SOYABEANS 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
May	633.0	635.6	629.4	634.4
July	650.0	652.0	645.2	650.6
Aug	655.0	657.4	651.0	656.4
Sept	663.0	663.4	657.4	663.0
Nov	677.0	678.4	670.4	675.2
Jan	689.0	690.4	682.0	687.0
March	701.0	702.4	695.4	700.0
May	712.0	712.4	705.4	711.0
July	722.0	722.0	716.0	721.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
May	100.0	190.5	188.9	160.5
July	104.6	195.3	193.0	195.0
Aug	196.6	167.5	195.8	197.6
Sept	199.5	190.5	198.0	201.0
Oct	201.0	202.0	200.2	202.5
Dec	206.3	207.0	205.0	207.5
Jan	208.0	209.0	207.0	209.0
March	215.0	215.0	213.0	215.4
May	217.0	216.9	217.0	219.5

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
May	16.16	18.19	17.61	18.10
July	16.53	18.58	18.31	16.51
Aug	14.70	14.71	18.51	10.70
Sept	16.85	18.87	18.69	18.67
Oct	19.00	19.04	18.88	19.05
Dec	19.40	19.95	12.26	19.44
Jan	19.60	19.65	19.50	19.95

WHEAT 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
May	365.9	368.2	360.0	366.4
July	376.0	376.9	370.0	376.2
Sept	384.d	384.6	379.0	385.2
Dec	397.4	398.4	392.0	398.4
March	409.4	408.6	404.0	410 d
May	416.0	—	—	017.0

SPOT PRICES—Chicago loose lard 16.25 (same) cents per pound. New York tin 618.0-624.0 (613.0-620.0) cents per pound. Handy and Harman silver bullion 1049.0 (1013.0) cents per troy ounce.

[illegible] Carrots—per 26/28 lb 1.20-1.50. Turnips—per 28 lb 1.00-1.60. Swedes—per 28 lb 0.80-1.20. Parsnips—per 28 lb 1.20-1.50. Leeks—per 10 lb 2.00-2.20. Cauliflowers—Kent 12s 2.00-3.60. Rhubarb—per pound, Yorkshire 0.25-0.30, outdoor 0.15-0.20. Cucumbers—3.50-4.50. Tomatoes—hothouse, per pound 0.35-0.60. Calabrese—

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

1982/83 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
100⅝	92⅞	Treasury 9½pc '83	99 11/16	.....	9.20	10.22
104⅝	96⅞	Exch. 13½pc '83	101 11/32	–1/16	13.28	10.74
101¼	91⅞	Exch. 10pc 1983	99 11/16	.....	10.03	10.34
98¼	87⅞	Funding 5½pc '82-84‡‡	97½	.....	5.66	9.31
103¼	91⅞	Exch. 11¼pc 1984	100 11/16	+⅛	11.17	10.40
107¼	96¼	Exchequer 14pc 1984	101 3/8	+⅛	13.55	10.86
94½	81⅛	Exch. 3pc 1984	93¾	+⅛	3.20	8.41
105¼	91½	Treasury 12pc 1984	101 13/32xd	+⅛	11.79	10.65
112	96¼	Treasury 15pc 1985	106 11/32	+⅛	14.04	10.94
112¼	103	Exch. 12pc Cnv. '85	103¾	+¼	11.62	10.14
91¼	73½	Treasury 3pc 1985	89⅝	.....	3.35	8.35
105½	87½	Treasury 11½pc 1985	100⅞	+⅛	11.40	11.04
102	95½	Treas 8¾pcCnv '85	96¼	+¼	9.09	10.48
107⅛	88⅝	Exch. 12¼pc 1985	101⅞	+⅛	12.02	11.38
106⅝	86⅛	Exch. 11¾pc '86	101 1/16	+⅛	11.63	11.30
89½	69	Treasury 3pc 1986	86⅜	–⅛	3.47	7.97
27	26	Exch. 10½pc Cv '86(£25pd)	26 7/16	+⅛	10.41	10.41
107¾	86¼	Treasury 12pc '86	101⅝	+⅛	11.81	11.36
100	80⅝	Treasury 8¼pc '84-86‡‡	94⅞	+⅛	8.96	10.37
116¼	96⅜	Treas. 12¾pc '86 Cnv.	107½	+½	11.39	9.54
114	97⅞	Exch. 14pc 1986	107¼	+¼	13.05	11.51
112	90	Exch. 13¼pc 1987	105 5/16	+⅛	12.57	11.43
84 11/16	83 3/16	Exchequer 2½pc 1987	84 3/16	+¼	2.97	7.23
103½	95⅞	Exch. 10½pc 1987	97 13/32xd	+⅛	10.73	11.21
30⅛	29 3/16	Ex. 10½pc '87A (£30pd)	29¼	+⅛	10.68	11.20
93⅜	73⅞	Funding 6½pc '85-87‡‡	89½	–¼	7.26	9.66
85¼	64½	Treasury 3pc 1987	82½	.....	11.81	17.51
109	85⅞	Treas 12pc 1987	101⅝	+⅛	11.82	11.56
98	72½	Treasury 7¾pc '85-88‡‡	90	–¼	8.61	10.43
		Five to Fifteen Years				
102¾	95½	Exch 10¾pc '88	101	+¼	10.82	11.26
81½	60⅞	Transport 3pc '78-88	80⅝	–⅛	3.75	7.70
99	91	Treas. 9½pc '88	92¼xd	+¼	10.15	11.09
107⅞	79⅞	Treasury 11½pc 1989	100¾	+½	11.58	11.65
85⅝	62½	Treasury 5pc '86-89	78½xd	+½	6.36	9.44
117¼	85⅞	Treasury 13pc 1990‡‡	109	+¼	12.20	11.57
112	85⅝	Exch. 12½pc 1990	104	+½	12.03	11.66
98⅛	70⅝	Treasury 8¼pc '87-90‡‡	89⅛	+½	9.47	10.86
110¾	77⅞	Treasury 11¾pc 1991	102¾	+⅛	11.71	11.64
84⅞	59⅞	Funding 5¾pc '87-91‡‡	76½xd	–⅛	7.48	10.06
104⅛	76⅜	Exch. 11pc 1991	96½xd	+½	11.29	11.49
116⅞	81⅞	Treasury 12¾pc '92‡‡	108¼	+¾	11.02	11.53
102¼	70	Treasury 10pc 1992	94⅛	+⅜	10.72	11.21
112¾	80⅞	Exch. 12¼pc '92	104¾xd	+⅞	11.84	11.64
118¼	88⅝	Exchequer 13½pc '92	109⅞	+¼	12.30	11.70
116½	80⅜	Treasury 12½pc '93‡‡	107⅞	+⅞	11.85	11.57
81½	56¼	Funding 6pc 1993‡‡	73⅞xd	+⅝	0.14	10.12
124¾	88	Treasury 13¾pc 1993‡‡	117¼	+⅛	12.21	11.64
128¾	91⅛	Treasury 14½pc '94‡‡	118½xd	+⅛	12.34	11.61
119¾	86¾	Exchequer 13½pc 1994	110xd	+⅞	12.14	11.60
115½	80⅛	Exch. 12½pc 1994	106⅝	+⅞	11.84	11.61
96⅛	66¾	Treasury 9pc '94‡‡	92¼	+¾	10.10	10.65
113¾	76½	Treasury 12pc '95	105	+½	11.64	11.51
66¾	42⅝	Gas 3pc '90/95	63¼	+¼	4.83	7.93
103¼	68½	Exch. 10¼pc 1995	95¼	+¾	10.96	11.24
116⅜	83¼	Treasury 12¾pc '95‡‡	113½	+⅞	11.69	11.38
127¼	86¼	Treas. 14pc '96	117¼	+¼	12.13	11.65
97	66⅝	Treasury 9pc '92/96‡‡	88¾xd	+⅛	10.17	10.68
133	96	Treasury 15¼pc '96‡‡	130¼	+⅞	12.27	11.59
120	86	Exchequer 13¼pc '96‡‡	117¼	+⅞	11.77	11.39
63¾	43⅞	Redemption 3pc 1986-96	59xd	+¼	5.08	0.01
124	83½	Treasury 13¼pc '97‡‡	115	+⅞	11.75	11.38
105⅛	69⅝	Exchequer 10½pc 1997	97¼	+¾	10.90	11.02
94⅛	64	Treasury 8¾pc 1997‡‡	86½	+¾	10.18	10.68
132¼	94¼	Exch. 15pc 1997	122⅝xd	+⅞	12.10	11.57
		Over Fifteen Years				
79⅛	54½	Treasury 6¾pc '95-98‡‡	75⅜	+⅞	9.24	10.30
138¼	99½	Treas. 15½pc '98‡‡	128¾xd	+⅞	11.05	11.50
116⅝	78¼	Exch. 12pc 1998	109½	+⅞	11.39	11.25
100⅝	66	Treasury 9½pc 1999‡‡	93⅛	+⅞	10.40	10.64
116	81¼	Exch. 12¼pc 1999	107½xd	+⅞	11.39	11.22
107	71⅛	Treasury 10½pc 1999	100½	+¾	10.84	10.91
124¼	02¼	Treas. 13pc 2000	115½	+⅞	11.50	11.27
151	89	Treas. 14pc '98-01	123½	+1⅛	11.79	11.37
116½	76½	Exch. 12pc '99-02	108⅝	+⅞	11.28	11.13
129½	05⅞	Treas. 13¾pc 2000-03	120½	+1	11.63	11.31
113¾	78¼	Treasury 11½pc '01-04	105	+¾	10.97	10.88
50¾	44½	Funding 3½pc '99-04	46	+¼	7.72	9.55
123⅜	11⅞	Treasury 12½pc '03-05	116⅛	+1	11.17	11.02
87¾	59⅞	Treasury 8pc '02-06‡‡	80⅛xd	+⅞	10.01	10.22
116⅜	75⅞	Treasury 11¾pc 03-07	108½	+1	11.03	10.93
128½	90	Treas. 13½pc '04-08	119½xd	+1⅛	11.29	11.08
64	44¼	Treasury 5½pc '08-12‡‡	58⅝xd	+⅞	9.42	9.80
85½	55⅝	Treasury 7¾pc '12-15‡‡	78⅞	+¾	9.98	10.11
124	81⅛	Exch. 12pc '13-'17	115⅜	+⅞	10.72	10.46
		Undated				
42¾	27⅞	Consols 4pc	38⅞	+¼	10.57	—
37¼	26¾	War Loan 3½pc‡‡	35½	+¼	10.17	—
42	31½	Conv. 3½pc '61 Aft.	39¾xd	+¼	8.87	—
32¾	21	Treasury 3pc 66 Aft	29½xd	+¼	10.14	—
27	17¾	Consols 2½pc	24¾xd	+¼	10.28	—
26⅞	17⅝	Treasury 2½pc	24xd	+¼	10.40	—
		Index-Linked & Variable Rate				
100⅝	99⅞	Treas. Variable '83	99 31/32	.....	11.67	10.61
					(1)	(2)
108¼	95	Treas. 2pc I.L. '88	104xd	.....	2.04	2.36
112	93	Do. 2pc I.L. '96	110	.....	2.43	2.56
103⅞	93¾	Do. 2½pc I.L. 2001	102xd	.....	2.40	2.49
102⅞	95½	Do. 2½pc I.L. 2003	102⅛	+⅛	2.41	2.51
107	86⅜	Do. 2pc I.L. 2006	106	.....	2.37	2.45
103½	96	Do. 2½pc I.L. 2009	103	.....	2.39	2.46
110	90	Do. 2½pc I.L. 2011	108	.....	2.39	2.46
99¾	98½	Do 2½pc I.L. 2016	99⅛	+⅛	2.38	2.44

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1982/83 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
116¼	99⅞	Australia 13½pc 2010	111¼	+½	12.58	12.33
130	86	Euro Inv Bk 11pc Ln 2002	91⅞	+½	11.99	12.11
108¾	92⅞	Finland 14½pc Ln 1986	105½	.....	15.74	12.31
30¼	21	Int-Am Dev Bk 12½pc 2003	27½	+½	13.02	13.06
109	90¾	Int. Bank 13½pc 1986	104	+¼	12.98	11.92
111½	97	Do. 14pcLn 1987	107	+¼	15.08	11.75
101¾	77⅞	Mex 16½pc 2008	82	–¼	20.12	22.71
112½	98½	N.Z. 14¼pc 1987	107⅜	+⅞	13.27	11.98
107½	90¾	Sweden 13½pc 1986	104	+½	12.98	11.82
31⅞	23½	Do. 13½pc Ln 2010	30¾	+1	13.28	13.25

CORPORATION LOANS

1982/83 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
102½	85	Bath 11¼pc 1985	99¼	+¼	11.33	11.56
104⅞	89¼	B'ham 12½pc 1985	102	+¼	12.25	11.39
108⅞	07	Burnley 13pc 1987	103½	+¼	12.55	11.90
134	81¾	Cardiff 11pc 1986	97¾	+¼	11.25	11.77
104¼	94⅝	G.L.C. 13¼pc 1984	101⅞	+⅛	13.01	10.99
81¼	53¾	Do. 6¾pc 90-92	76¾	+¼	8.87	11.02
89	67½	Herts 6¾pc 1985-87	84⅞	+⅛	7.95	11.21
116	85	Leeds 13½pc 2006	109½xd	+½	12.27	12.19
100⅜	87½	Liverpool 9½pc '80-84	98⅝	+⅛	9.91	11.27
31½	21½	Do. 3½pc Irred.	28	+¼	12.65	—
104⅝	95½	Lon. Corp. 13¼pc '83	102	+⅛	11.99	9.95
99¼	82¼	Do. 9¼pc '84-85	96¼	+⅛	9.61	10.97
94	78¾	LCC 5½pc '82-84	93¾	+⅛	5.87	10.68
04⅞	64¼	Do. 5½pc '85-87	81¼	+¼	6.77	11.18
07	56	Do 6¾pc '88-90	78½	+¼	8.73	11.42
26¾	19½	Do. 3pc '20 Aft.	24¼	+¼	12.65	—
104½	90¼	Sunderland 12¼pc 1984	101⅜	+⅛	12.08	11.28

COMMONWEALTH AND AFRICAN LOANS

1982/83 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
98⅞	85¼	Aust. 6pc 1981-83	98¼	.....	6.22	11.45
83¼	57	N.Z. 7¼pc 1988-92	75½	+½	9.81	11.98
93½	74¾	Do. 7½pc '83-86	90½	+¼	0.48	11.85
167	136	S. Rhod. 2½pc Non-Ass.	162	.....	—	—
80	58	Do. 3½pc 80-85 Asstd.	76	.....	4.61	15.40
55	32	Do. 4½pc 87-92 Asstd.	46	.....	10.31	17.00
402	318	Zimbabwe Ann (£100pd)	325xd	.....	—	19.45

LOANS

Public Board and Ind.

1982/83 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
77½	57⅞	Agric. Mt. 5pc '59-89	75½	+¼	6.72	10.69
38	29¼	Met. Wtr. 3pc 'B'	32	+½	9.42	12.00

LOANS—Continued

1982/83 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		Financial				
103¾	95½	FFI 14pc '83	101¼	.....	13.78	11.64
95	80	FFI(UK Fn)6¼pcDb '81-84	95	.....	6.75	11.20
103½	82½	Do 10¾pc Uns. Ln. '86	101	.....	10.65	11.10
105	78	Do 11pc Uns. Ln. '88	102	.....	11.06	11.10
106	78	Do. 11¾pc Uns. Ln. '90	101½	.....	11.90	12.00
108¼	82	Do 12½pc Un. Ln 1992	102	.....	12.28	12.20
83	54	Do 7¼pc A Deb '89-92	75½	.....	9.90	11.05
79½	53	Do 7¼pcADeb '91-94	73xd	.....	9.93	11.60
90	62	Do. 9pc 'A' '91-94	84xd	.....	10.71	11.55
07¼	57 9/16	Do. 8⅞pcLn. '92-97	01	.....	11.14	11.75
		Building Societies				
102¼	99⅞	Nat'wide 14¼pc 4.4.83	100¼xd	.....	—	—
102⅝	100 1/16	Do. 14¾pc 25.4.83	100 3/16	.....	14.72	12.11
102⅜	99 3/16	Do. 13⅞pc 23.5.83	100⅛	.....	13.82	11.38
102⅞	100⅛	Do. 13⅞pc 13.6.83	100⅛	.....	13.88	11.83
102¼	100¼	Do. 14pc 4.7.83	100¼	.....	13.90	11.11
102¼	100⅝	Do. 13¼pc 25.7.83	100⅝	.....	13.04	11.21
101½	99 11/16	Do. 11⅞pc 15.8.83	100¼	.....	11.84	11.22
101	98⅞	Do. 11¼pc 30.8.83	100¼	.....	11.22	10.63
101¼	99¼	Do. 11⅜pc 3.10.83	100⅛xd	.....	11.35	10.83
100⅜	98¼	Do. 9⅞pc 31.10.83	99¼	.....	10.81	11.25
99¾	98	Do. 9⅞pc 28.11.83	99¼	.....	9.95	11.04
100¼	99⅛	Do. 11¼pc 19.12.83	100¼	.....	11.22	10.92

FOREIGN BONDS & RAILS

1982/83 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
17	0	Chinese 4½pc 1898	10	.....	—	—
14	9	Do. 5pc 1912	9	.....	—	—
14	6	Do. 5pc 1913	9	.....	—	—
12	5½	Do 5pc '25 Boxer	6	.....	—	—
44	42	Greek 7pc Ass.	43	.....	3½	0.25
42	40	Do. 6pc 28 Stb. Ass.	41	.....	3	7.59
38	35	Do 4pc Mixed Ass.	38	.....	2	5.27
35	25	Hung. '24 Ass.	31½	.....	2¾	19.90
122	87½	Hydro Quebec 15pc Ln 2011	111½	+½	15	14.07
75	58	Iceland 6½pc '83-88	75	.....	6½	14.98
106	80	Do. 14½pc Ln. 2016	102½	–1	14½	14.46
100¼	87¾	Ireland 7¼pc '81-83	100¼	+⅛	7½	11.48
87¼	62½	Do. 9¾pc '91-96	83	+½	9¾	12.46
303	231	Japan 4pc '10 Ass.	303	+3	—	—
92	67	Do. 6pc '83-88	81½	.....	6	10.59
161	161	Peru Ass. 2007	161	.....	5.22	9.82
93¼	57½	Pet. Mx 14½pc '06	60¼	.....	14½	23.89
579	575	Turin 9pc 1991	575	.....	9	12.00
DM90	DM84	Turin 6½pc 1984	DM90	.....	6½	11.40

AMERICANS

1982/83 High	Low	Stock	Price £	+ or –	Div. Gross	C'vr	Y'ld Gr's
29⅝	13½	Abbott Labs.	29⅝	+½	$1.00	—	2.3
23⅞	11¾	Alcoa $1	22⅞	+½	$1.20	—	3.6
25¼	10	Amax $1	16⅛	+⅛	20c	—	0.8
[illegible]							

CANADIANS

[illegible]

BANKS, H.P. & LEASING

[illegible]

BANKS—Continued

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا صدر الأصل

INDUSTRIALS—Continued

LEISURE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

OIL AND GAS—Continued

MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
300	75	Falcon Rh.50c	250	...	025c	20.3	6.4
33	16	Wankie Col Z$1	19	..	†03c	1.2	9.9
28	12	Zam Cpr.SBD0.24	20	..	—	—	—

Australians

1982/83 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
28½	10	♥ACM 20c	15	+½	—	—	—
20	6	♥Argosy Gold NL 25c	6		—	—	—
25	11	Balmoral Resources	14	−1	—	—	—
63	42	♥Black Hill Mins.	43		—	—	—

Tins

Miscellaneous

1982/83 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Yld Gr's
125	25	♥Anglo Utd. Dev.	81	−2	—	—	—
135	27	♥Colby Res Corp.	85		—	—	—
485	170	Cons. Murch. 10c	440	+10	‡060c	1.9	‡
0	1½	‡‡Exploura Gold	4	...	—	—	—
155	55	♥Highwood Res.	125	..	—	—	—
£20¾	£12½	Homestake Mining $1	£16¾	−¼	040c	—	1.6
495	160	Northgate C$1	395	+10	—	—	—
552	344	R.T.Z.	520	+8	16.0	1.6	4.4
£122	£84	Do.9¾%Cv.Ln.95-2000	£114	....	Q9¾%	23.9	18.5
33	11	♥Sabina Inds C$1	27	...	—	—	—
17½	12½	♥Southwest Res 10p	13½	..	—	—	—
530	270	♥Yukon Expln $1	455	..	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¥¥ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −	IRISH	Price	+ or −
Albany Inv. 20p	52	..	Exch. 15pc 1983	£99¼	
Bertrams	17#	...	Nat. 9¾% 84-89	£85⅞	
Bdg'wtr. Est. 50p	495	..	Fin. 13% 97-02	£92½	+1
Craig & Rose £1	£12	..	Alliance Gas	106	....
Finlay Pkg. 5p	37	...	Arnott	185	
Graig Ship £1	£14	..	Carroll (P.J.)	95	
Higsons Brew	105	..	Concrete Prods.	47	
Holt (Jos.) 25p	900	..	Heiton (Hldgs.)	13	
I.O.M. Stm. £1	85	..	Irish Ropes	28	
Pearce (C. H.)	£13½	....	Jacob	65	
Peel Hldgs.	174	....	T M G	85	....
			Unidare	40	

OPTIONS

3-month Call Rates

Industrials					
Allied-Lyons	15	House of Fraser	15	Utd. Drapery	7
BOC Grp.	17	I.C.I.	24	Vickers	12
B.S.R.	6	"Imps"	10	Woolworth Hld.	15
Babcock	10	I.C.L.	8	**Property**	
Barclays Bank	35	Ladbroke	16	Brit. Land	7½
Beecham	35	Legal & Gen.	28	Cap. Counties	12
Blue Circle	44	Lex Service	16	Land Secs.	26
Boots	22	Lloyds Bank	35	MEPC	17
Bowaters	14	"Lots"	4	Peachey	14
Brit. Aerospace	28	London Brick	11	Samuel Props.	10
B.A.T.	50	Lucas Inds.	12	Town & City	3
Brown (J.)	4	"Mams"	12		
Burton Ord.	24	Mrks. & Spncr	16	**Oils**	
Cadburys	13	Midland Bank	30	Brit. Petroleum	26
Courtaulds	8	N.E.I.	9	Burmah Oil	12
Debenhams	8½	Nat. West. Bank	38	Charterhall	5
Distillers	26	P & O Dfd.	14	KCA	8
Dunlop	5½	Plessey	50	Premier	4
Eagle Star	38	Racal Elect.	45	Shell	35
F.N.F.C.	4	R.H.M.	6	Tricentrol	22
Gen. Accident	30	Rank Org. Ord	15	Ultramar	42
Gen. Electric	24	Reed Intnl.	26		
Glaxo	45	Sears	9	**Mines**	
Grand Met	25	T.I.	13	Charter Cons.	20
G.U.S. 'A'	50	Tesco	8	Cons. Gold	40
Guardian	35	Thorn EMI	38	Lonrho	8
G.K.N.	15	Trust Houses	13	Rio T. Zinc	42
Hawker Sidd	30	Turner & Newall	9		
		Unilever	65		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 33

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling recovers from early lows

Sterling recovered from further record troding lows touched against the dollar and the D-mark in the morning. The opening trade-weighted index of 77.9 was the lowest for nearly 6½ years, but the pound picked up from these very early levels and managed to survive the rather disappointiog February trade figures relatively unscathed.

The dollar lost ground on an easing of Eurodollar interest rates, but moved firmer lo New York after European centres had closed.

STERLING — Trading range against the dollar in 1982-83 is 1.9265 to 1.4585. February average 1.5735. Trade-weighted index 78.1 against 78.1 at noon, 77.9 at the opening, 78.3 at the previous close, and 81.8 six months ago. Sterling remains weak and vulnerable because of uncertainty abont world oil prices, as fears continue to overhang the market of a possible price war between Britain and Nigeria.

Sterling opened at $1.4575-1.4585, and fell to a record trading low of $1.4540-1.4550 in the early morning. A weakening of the dollar helped sterling improve to $1.4665-1.4675 in the afternoon, and it closed at $1.4630-1.4640, a rise of 50 points on the day. The pound rose to DM 3.5425 from DM 3.54 against the D-mark, after falling to a record low of DM 3.5150; and to FFr 10.6050 from FFr 10.5950 against the French franc, but fell to SwFr 3.03 from SwFr 3.0425 in terms of the Swiss franc, and to Y347 from Y348.75 against the Japanese yen.

DOLLAR—Trade-weighted index (Bank of England) 122.0 against 123.1 six months ago. The dollar has shown renewed strength as a safe haven for funds during a time of extreme uncertainty about the effects of falling oil prices, and upheaval within the EMS. U.S. interest rates have not fallen as once expected, partly because of the high level of Federal funding, while money supply growth also remains a problem.

The dollar fell to DM 2.42 from DM 2.4250; to FFr 7.25 from FFr 7.2675; to SwFr 2.07 from SwFr 2.0840; and to Y237 from Y238.90

D-MARK—Trading range against the dollar in 1982-83 is 2.4940 to 2.2410. February average 2.4260. Trade-weighted index 131.3 against 125.2 six months ago. German economic strength and low inflation compared with many of its neighbours have once again caused strains within the European Monetary System The result of the German general election gave an added boost to the D-mark, prompting considerable Bundesbank support for weaker EMS members, before the realignment of the system.

The Bundesbank sold DKr 12m when the Danish krone was fixed at its EMS ceiling against the D-mark of DM 28.165 per 100 krone, but did not intervene when the French franc was fixed at its maximum allowed DM 33.35 per 100 francs, and the Irish punt at its upper intervention limit of DM 3.16. The Belgian franc was fixed at DM 5.0750 per 100 francs, compared with an early morning level of DM 5.0650 after the Belgian National Bank cut 3 per cent from its discount rate on Wednesday. The dollar fell to DM 2.4128 from DM 2.4233 without intervention, while sterling was fixed at a record low of DM 3.5280, against DM 3.5400.

JAPANESE YEN — Trading range against the dollar in 1982-83 is 277.35 to 219.00. February average 235.87. Trade-weighted index 146.5 against 128.0 six months ago. The yen is gaining strength on hopes that Japan will benefit from an upturn in the U.S. economy. Japanese capital and equity markets continue to attract investment after a long period when high foreign interest rates had led to an outflow of funds.

The yen remained very firm in Tokyo. Its recent strength reflects foreign demand for Japanese shares, with prices on the stock exchange rising to record levels for the fourth day this week. The dollar fell to Y238.40 from Y239, after opening at Y237.80. The U.S. currency touched a low of Y237.23, but recovered later on speculation about a cut in the Bank of Japan discount rate from 5.5 per cent.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 24	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.3662	44.1311	−0.53	−0.72	±1.5491
Danish Krone ...	8.04412	7.95251	−1.14	−1.33	±1.6412
German D-Mark	2.21515	2.23905	+1.08	+0.89	±1.0667
French Franc ...	6.79271	6.71530	−1.14	−1.33	±1.4018
Dutch Guilder ...	2.49587	2.51110	+0.61	+0.42	±1.4941
Irish Punt.........	0.71705	0.708770	−1.15	−1.34	±1.6696
Italian Lira	1386.78	1336.56	−3.62	−3.62	±4.1463

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Mar. 24	£	$		£ Note Rates
Argentina Peso ..	93,050-93,252	63,790-63,770	Austria............	24.70-25.00
Australia Dollar..	1.6805-1.6825	1.1505-1.1510	Belgium	73.60-73.25
Brazil Cruzeiro...	590.30-591.50	403.52-405.34	Denmark...........	12.48-12.60
Finland Markka..	7.9715-7.0070	5.4603-5.4625	France.............	10.50-10.65
Greek Drachma..	190.349-193.401	83.20-83.70	Germany...........	3.51½-3.55½
Hong Kong Dollar	0.78¼-9.78¼	6.6735-6.6795	Italy................	2060-2100
Iran Rial...........	127.05*	84.00*	Japan...............	346-351

*Selling rates.

CURRENCY MOVEMENTS

Mar. 24	Bank of England Index	Morgan Guaranty Change %
Sterling..................	78.1	−41.3
U.S. dollar...............	129.0	+11.9
Canadian dollar.......	90.9	−13.8
Austrian schilling.....	122.5	+51.7
Belgian franc..........	95.6	+0.1
Danish kroner	85.5	−8.3
Deutsche mark.........	131.5	+58.5

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

Mar. 24	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.789996	0.634864
U.S. $	8½	1.08056	0.928489
Canadian$.....	9.47	*	1.15786
Austria Sch ...	3¾	18.3392	15.7472
Belgian F	11	51.5489	44.1511
Danish Kr	8½	0.27391	7.05251
D mark	4	2.60718	2.23905
Guilder	4½	2.91967	2.51110

*CS/SDR rate for March 23: 1.33285.

THE POUND SPOT AND FORWARD

March 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
W. Ger.	3.51½-3.55	3.53¾-3.54½	2⅛-1⅝pf pm	6.35	6½-5 pm	5.93
Portugal	141.00-145.00	141.50-143.50	875-2600c dis	−146.31	1325-3200ds	−63.51
Spain	198.00-199.25	198.50-198.80	115-275c dis	−11.78	370-600 dis	−9.76
Italy	2,096-2,111	2,107½-2,109½	10-17lire dis	−7.68	35-43 dis	−7.40
Norway	10.49-10.55	10.51½-10.52½	2½-3¼ore dis	−3.28	7½-8⅞ dis	−3.16
France	10.55½-10.61½	10.60-10.61	¾-2¾c dis	−1.98	6-7 dis	−2.26
Sweden	10.98-11.03	10.99½-11.00½	½ore pm-¼ dis	0.14	¼-1½ dis	−0.27
Japan	344-348	346½-347½	1.25-1.05y pm	3.98	3.45-3.25 pm	3.86
Austria	24.75-24.96	24.83-24.88	12¼-10⅞gro pm	5.70	34⅞-30¾ pm	5.25
Switz.	3.01½-3.04½	3.02½-3.03½	2-1½c pm	6.93	5½-4½ pm	6.76

Belgian rate is for convertible francs. Financial franc 72.85-72.95. Six-month forward dollar 0.70-0.65c pm. 12-month 0.98-0.83c pm.

THE DOLLAR SPOT AND FORWARD

March 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
Portugal	96.00-98.00	97.00-98.00	400-1250c dis	−101.80	750-1850dis	−53.47
Spain	135.50-135.95	135.50-135.60	100-250c dis	−15.47	300-500dis	−11.79
Italy	1,439-1,441½	1,440½-1,441½	11-14lire dis	−10.42	30-34 dis	−9.89
Norway	7.1750-7.2150	7.1800-7.1850	2½-3½ore dis	−6.01	7½-8½ dm	−4.46
France	7.2150-7.2700	7.2475-7.2525	1.80-2.20c dis	−3.32	5.75-6.75dis	−3.46
Sweden	7.5075-7.5350	7.5125-7.5225	0.70-1.20ore dis	−1.52	2.75-3.75dis	−1.73
Japan	235.30-238.50	236.95-237.05	0.55-0.50y pm	2.66	1.66-1.58 pm	2.73
Austria	16.94-17.02	16.94½-16.95½	6½-5¼gro pm	4.33	19½-16 pm	4.07
Switz.	2.0590-2.0790	2.0695-2.0705	0.96-0.91c pm	5.42	3.00-2.96 pm	5.75

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 49.75-49.85.

EXCHANGE CROSS RATES

Mar. 24	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.464	3.543	347.0	10.605	3.030	3.978	2109.	1.796	69.75
U.S. Dollar	0.683	1.	2.421	237.1	7.246	2.070	2.718	1441.	1.227	47.66
Deutschemark	0.289	0.413	1.	97.95	2.994	0.855	1.123	595.2	0.507	19.69
Japanese Yen 1,000	2.882	4.218	10.21	1000.	30.56	8.732	11.46	6076.	5.174	201.0
French Franc 10	0.943	1.380	3.340	327.2	10.	2.857	3.751	1989.	1.693	65.77
Swiss Franc	0.330	0.483	1.169	114.5	3.500	1.	1.313	695.9	0.593	23.02
Dutch Guilder	0.251	0.368	0.891	87.24	2.666	0.762	1.	530.1	0.451	17.54
Italian Lira 1,000	0.474	0.694	1.680	164.6	5.030	1.437	1.886	1000.	0.852	33.08
Canadian Dollar	0.557	0.815	1.973	193.3	5.906	1.688	2.215	1174.	1.	38.85
Belgian Franc 100	1.434	2.098	5.079	497.5	15.20	4.344	5.703	3023.	2.574	100.

FINANCIAL FUTURES

Gilts improve

Gilt prices on the London International Financial Futures were encouraged by the better showing of sterling on the foreign exchanges yesterday. A total of four lots were traded for September delivery, with activity almost entirely confined to the June month once again, where the price opened ⅛ per cent higher at 102-23. This trend was reinforced by early gains in the cash market, encouraged by the firm close of U.S. Treasury bond prices on Wednesday night. On Liffe the June gilt price touched a peak of 103-14, and closed £¾ higher on the day at 103-09, with the firmer tone reinforced by the rise of the 20-year Treasury bond contract on the Chicago Board of Trade. Disappointing UK trade figures for February led to a temporary decline of London cash prices, but were announced too late for any effect on the Liffe market.

The three-month sterling deposit contract traded within a narrow range of 10 basis points for June and September delivery. June opened unchanged from the previous close at 89.81, and eased to 89.80, but held quite firm as London money market rates showed no alarming reaction to the initial weakness of the pound as it fell to record trading lows against the dollar and D-mark. June short-sterling finished 4 points up on the day at 89.85, with September 5 points higher at 89.95, benefiting from the pound's improvement in the afternoon.

Eurodollars also moved within a narrow range, although market volume continued to improve. June opened 10 basis points higher at 90.47, reflecting the firm U.S. close on Wednesday, and rose to a peak of 90.55, before closing 14 points up at 90.51.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	90.51	90.55	90.47	90.37
Sept	90.29	90.35	90.27	90.18
Dec	90.18	90.25	90.14	90.04
March	89.96	—	—	89.84
June	—	—	—	—

Volume 1,615 (1,476).

CHICAGO

U.S. TREASURY BONDS (CBT) 9% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	76-14	76-28	76-14	76-16
Sept	75-29	76-10	75-28	75-31
Dec	75-18	75-29	75-18	75-17
March	75-06	75-12	75-06	75-06
June	74-30	75-06	74-30	74-29

JAPANESE YEN Y12.5m $ per Y100 — Volume 203 (45). Previous day's open int. 305 (327)

STERLING (IMM) Se per £

	Latest	High	Low	Prev
Dec	1.4580	1.4600	1.4530	1.4580
March	1.4565	1.4585	1.4550	1.4545
June	—	—	—	—

MONEY MARKETS

London rates fail to react

UK clearing bank base lending rate 10½ per cent (since March 15 and 16)

Interest rates showed little change in London, despite the early weakness of sterling and disappointing UK trade figures. The Bank of England forecast a money market shortage of £800m, and gave total help of £769m. Bills maturing in official hands and the take-up of last week's Treasury bill tender drained £538m, with the unwinding of repurchase agreements absorbing another £354m, and a rise in the note circulation £50m. These were partly offset by Exchequer transactions of £30m.

In the morning the authorities gave help of £634m, and in the afternoon another £135m. Before lunch the Bank of England bought £377m bills outright by way of £30m bank bills in band 1 (up to 14 days maturity) at 10⅞ per cent; £181m bank bills in band 2 (15-33 days) at 10½ per cent; £4m local authority bills in band 3 (34-63 days) at 10⅜ per cent; £120m bank bills in band 3 at 10⅜ per cent; £13m local authority bills in band 4 (64-91 days) at 10¼ per cent; and £29m bank bills in band 4 (64-84 days) at 10¼ per cent. Another £35m bills were purchased for resale on April 7 at 10⅞ per cent, and £222m on April 14 at 10½-10⅝ per cent.

In the afternoon the authorities bought £30m bank bills in band 1 at 10⅞ per cent, and £3m in band 4 at 10¼ per cent; and also purchased £102m for resale on April 7 at 10⅞ per cent.

In Paris the Bank of France injected FFr 10bn of liquidity into the money market by buying first category paper at an unchanged rate of 12½ per cent. The purchase of paper maturing between April 1 and 30 is effective today.

In Frankfurt money market liquidity was good, reflecting intervention by the Bundesbank on the foreign exchanges last week to support the weaker members of the EMS. The low level of Euro D-mark deposit rates has also led to some leakage back into the domestic market, helping to reduce Lombard borrowing by the banks. Use of the Lombard facility fell to DM 9.9bn on Wednesday from the high level of DM 16bn earlier this week when banks were taking advantage of the 1 per cent cut in key Bundesbank lending rates.

In Tokyo the Governor of the Bank of Japan appeared to dash hopes of an early cut in the Japanese discount rate, when he said that such a move might weaken the yen and cause problems for Japan and other countries.

LONDON MONEY RATES

Mar. 24 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight........	—	6-11	—	—	—	10-11	10-10¾	—	—	—
2 days notice .	—	—	10⅞	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	10½-11⅛	—	—	—	—
7 days notice ..	—	10½-10⅞	10⅞	—	—	11⅛-11¼	10½-10⅝	—	—	—
One month......	11⅛-10⅞	10⅞-11	10⅞	11⅛-11⅛	11	10⅞	10½-10⅝	10½-10⅝	10⅞	11⅛
Two months ...	10⅞-10⅞	10⅞-11	10⅞	11⅛-11	10⅞	11	10¼-10¾	10⅜-10⅝	10⅞	11⅛
Three months .	10⅞-10⅞	10¾-10⅞	10¾	11⅛-10⅞	10⅞	10½-10⅞	10⅛-10¼	10⅜-10⅝	10⅜	10⅞
Six months......	10⅝-10⅞	10⅝-10⅞	10¾	10⅝-10⅞	10⅞	—	—	—	10⅜-10⅛	10⅞
Nine months ...	10⅞-10⅞	10⅞-10¾	10¾	10⅝-10⅞	10⅞	—	—	—	—	—
One year	10⅝-10⅞	10⅞-10¾	10¾	10¾-10⅞	10⅞	—	—	—	—	—
Two years.......	—	—	11¼	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period February 2 to March 1 1983 (inclusive) 11.391 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11⅞ per cent; four years 11½ per cent; five years 11½ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 10⅝-10⅝ per cent; four months trade bills 11 per cent.

Approximate selling rate for one month Treasury bills 10⅜ per cent; two months 10⅜ per cent; and three months 10¼ per cent. Approximate selling rate for one month bank bills 10⅞-10⅞ per cent; two months 10⅝-10⅝ per cent; and three month 10⅝-10⅝ per cent; trade bills 10⅞ per cent; two months 10⅞ per cent and three months 10⅞ per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

MONEY RATES

FT LONDON INTERBANK FIXING (11.00 a.m. MARCH 24)

3 month U.S. dollars		6 months U.S. dollars	
bid 9 7/16	offer 9 9/16	bid 9 9/16	offer 9 11/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday March 23 1983. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	50.60
Albania	Lek	6.8933
Algeria	Dinar	4.61
Andorra	Fr. Franc	7.2625
	Sp. Peseta	125.90
Angola	Kwanza	30.214
Antigua	E. Caribbean $	2.70
Argentina	Peso (f)	65105.
Australia	Dollar	1.1517
Austria	Schilling	17.04
Grenada	E. Caribbean $	2.70
Guadaloupe	Franc	7.2525
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	40.8037
Guinea Rep	Syli	22.8921
Guyana	Dollar	2.0272
Haiti	Gourde	5.00
Honduras Rep	Lempira	2.00
Hong Kong	Dollar	6.555
Peru	Sol	1164.48
Philippines	Peso	0.645
Pitcairn Is	N.Z. Dollar	1.5341
Poland	Zloty (O)	85.65
Portugal	Escudo	94.00
Port Timor	Escudo	n.a.
Puerto Rico	U.S. $	1.00
Qatar	Riyal	3.6397
Reunion Ile de la	Fr. Franc	7.2525